

**The Position
Workers in
Wine &**



**of Women
Deciduous**

Fruit Value Chains

March 2008

SANPERI
Commissioned by Women on Farms Project

ABSTACT

This study represents a follow-up to an earlier study commissioned by WFP in 2003 aimed at analysing the position of women workers in wine and deciduous fruit value chains. The present research confirmed the intensification of trends found in the 2003 study, specifically with regard to the passing of risks down the value chain, which is largely being shouldered by the growing army of temporary women workers in the sector. International retailers clearly exert undue and increasing pressure on producers. And while the study found greater compliance with labour legislation, this can be ascribed to the fact that the majority of workers are now located outside the formal labour framework through the restructuring of labour, most notably the feminization and casualisation of work. While agricultural workers have historically been poorly organized, the destruction of permanent jobs has made it virtually impossible to unionize contract workers. Although there are more women employed in agriculture than ever before, the study found that there is an entrenchment of systematic systems of discrimination against women workers, with women bearing the brunt of labour market restructuring with devastating consequences for their livelihoods and families.

CONTENTS PAGE

Acknowledgements.....	2
Executive Summary.....	3
1. Introduction.....	9
2. Background and Context	13
3. Research Findings	28
4. Conclusions	55
Bibliography.....	59

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EXECUTIVE SUMMARY

Study Aims, Scope and Methodology

This study represents a follow-up to a bigger investigation undertaken by Stephen Greenberg for the Women on Farms Project (WFP) in 2003. WFP commissioned SANPERI¹ to undertake this follow-up study with the primary objective of tracking developments in the position of women workers in wine and deciduous fruit value chains between 2003 and 2007 with specific reference to the following themes:

- The current context of primary producers of South African wine and deciduous fruit in the global value chain;
- Labour conditions of agricultural workers, particularly women, who work in the industry;
- Women workers' burdens in labour market restructuring;
- The role of international retailers in the value chain, and whether their purchasing practices affect primary producers and agricultural workers negatively;
- The extent of compliance to labour legislation and ethical codes and
- The impact of ethical codes on the performance of primary producers.

The research was carried out on wine and deciduous fruit farms in the areas of Franschhoek, Stellenbosch and Grabouw in the Western Cape. In addition to a desk-top literature review, the study was based on qualitative methods and data. Semi-structured interviews were conducted with the following categories of respondents: farm workers and trade unions, government officials, industry representatives and sector resource people.

Deleted:

Key questions that the research set out to address included:

- How has the political and economic environment for deciduous fruit and wine producers impacted on labour hiring strategies?
- What impact do Ethical Codes have on labour practices and on the functioning of businesses?
- Do international retailers use their power in the value chain to exert pressure on primary producers and what are the implications for other actors downstream?
- Are women agricultural workers bearing the brunt of employment restructuring?

Key Research Findings

- The economic restructuring of the South African economy accompanied by a parallel process of democratization at the political level resulted in a shrinking pool of permanent workers enjoying improved labour rights while an increasing pool of casual/temporary workers were experiencing precarious working conditions.
- While many more women have entered the agricultural industry, they have been employed in casual/temporary unskilled jobs.

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- While Ethical Codes are more rigorously implemented at the processing nodes of the commodity chain, retailers and distributors are not subjected to the same rigour. The application of codes has been different for the fruit and wine industries.
- Retailers use their power in the global value chain to capture a greater proportion of value primarily through passing down risk which varies according to location in the chain.
- The study concluded that the new risks passed down from supermarkets to producers, pack-houses and distributors, were in turn being passed down the value chain, especially to women workers through temporary contracts, paying lower piece rate wages, longer work hours and compromising safety conditions, especially for temporary workers.

Shift from Production to Market-Driven Agriculture

Deregulation of markets has led to greater integration of South African fruit and wine in the global agricultural market that is characterized by an unprecedented emphasis on the export market. Over-production, marketing, branding and retailing through supermarkets are the main trends in the fruit and wine value chains in the era of economic globalization. A consequence of the restructuring of agriculture in the global economy is that primary producers have lost power while buyers, marketers and retailers have become very powerful.

South African primary producers faced the challenge of the regulation of the labour market at the same time that the trade market was being liberalized and agricultural subsidies were removed as a consequence of deregulation. The opening of the South African agricultural market through a relaxation of trade tariffs and exchange controls led to a loss of market share domestically and a shift to the export market for South African producers. The export market is seen as more lucrative than the domestic market, and some producers say the local market is over-supplied.

Despite its small share of GDP, primary agriculture remains an important sector in the South African economy because of its role as an important earner of foreign exchange and an employer in rural areas. Agriculture's strong indirect role in the economy is a result of the backward and forward linkages to other sectors such as fertilizers, chemicals and implements. About 68 per cent of agricultural outputs are used as intermediate products in the sector and are therefore an important engine of growth for the rest of the economy.

Consolidation of Retailer Power in the Value Chain

In the past, retailers were mere conduits for wine and fruit, while wine makers and producers enjoyed a powerful position in the industry at a time when customer tastes dominated. Currently, retailers are playing a much bigger role in directing consumer tastes. They are also playing a gatekeeper role and making demands on wineries to produce wine to specification at directed prices.

The past decade has witnessed the rise of large retailers partnering with large wine/deciduous fruit companies and distributors. It is this ever-increasing presence of big retailers engaged in price wars with each other and who pass risks down the value chain to primary producers and packing houses that has evoked the concern, and at times, the ire of small scale producers in the UK.

Increased Casualisation and Retrenchments

Since 1994, there has been a decline in the number of people employed in agriculture. Apart from natural attrition, other reasons for this decline could be ascribed to a shift in output and a move towards the increasing casualisation of workers through the use of third party contractors made possible by so-called regulated flexibility. Labour market restructuring with its emphasis on flexibility has allowed exporters to drive down wage and social benefit costs.

Producers have warned that an increase in the minimum wage would involve huge costs to the sector. Organised agriculture have argued that the annual increase in the prescribed legal minimum wage to farm workers has led to a decrease in farm labour as the only way to keep costs down.

This response from producers illustrates how primary producers control labour costs through retrenchments and how labour legislation has failed to protect jobs and prevent precarious employment in the sector. The regulation of the labour market has taken place against the background of global economic and labour market restructuring which weaken the impact of new national labour legislation.

Non-Compliance to Health and Safety Regulations

The most frequently mentioned health and safety concern was worker and dweller exposure to agricultural pesticides and a lack of adequate controls in this regard. In some instances, this was attributable to the lack of provision of adequate protective clothing and in other instances related to a lack of education and training on the effective use of provided protective gear. This is also confirmed by WIETA audits as the area of weakest employer compliance.

A further health issue raised by seasonal workers specifically related to the discomfort they suffer as a result of sleeping on broken or worn out beds in hostel accommodation where they live for six months of every year. This matter is closely linked to the question of adequate accommodation for contract workers, many of whom have been servicing the same farmer for many years.

De-linking Labour and Social Rights

This research has found a de-linking of social rights from labour rights across the sector. WIETA audits have not, for example, considered tenure security rights in a substantive way as it is technically located outside of the labour rights framework even though there is a direct link between labour patterns and processes of evictions from farms. The consistently appalling living conditions of temporary workers is a particular illustration in this regard.

The study further confirmed the continued discrimination against women with regard to tenure rights, as women are not granted independent rights to housing even in cases where they have independent employment contracts.

Further evidence of the de-linking of social and labour rights was found in the failure of workplace responses to health issues such as HIV/Aids, gender-based violence or reproductive health. Despite growing rates of children born with Foetal Alcohol Syndrome, there has also been no significant industry intervention in respect of education or rehabilitation.

Ethical Codes and Purchasing Practices

A plethora of ethical and technical safety codes exist, with virtually every supermarket having its own code as well. The new SEDEX system will allow different various audit reports to be loaded onto a central database so that information is made directly accessible to supermarkets.

The dominance of supermarkets in the value chain also extends to ethical codes where they subject producers to their codes. In the Ethical Trade Initiative, supermarkets also play a dominant role. The effect of this has been that the 'naming and shaming' of transgressors has been made impossible as supermarkets essentially control the information. Given this bias, ethical audits as a mechanism for realizing worker rights is highly compromised.

The fact that many workers are now being contracted through labour brokers, and that these labour brokers largely fall outside ethical auditing processes, further illustrates the weaknesses of this system. It is virtually impossible to audit labour brokers because they are largely unstructured and lacking in administrative infrastructure. This is enabled by a government by gaps in labour legislation and lack of enforcement of existing laws which make labour brokers and farmers/producers mutually liable.

It is clear that, whilst ethical trading codes can play a potential role in preventing a downward spiral of labour standards, they have in reality acted as a floor above which labour standards do not easily rise.

Women's Burden Resulting from Economic and Labour Market Restructuring

This study confirmed that in general terms and absolute numbers, women are predominantly seasonal workers while men are predominantly permanent workers. The study also found other consistent gendered variations in the terms of women and men's employment.

The study found that 63% of women respondents received payment for piecework mainly as seasonal workers, in contrast to 57% of men who were paid on a fortnightly basis.

The overall discrimination experienced by women has also been confirmed through WIETA audits where it was found that women are consistently overlooked in favour of men when permanent jobs become vacant or for promotion and training.

As the majority of temporary workers, women are then also excluded from eligibility for housing. While women theoretically have the right to housing in their own name, in practice, the allocation of farm housing contracts remain limited to permanent male workers and women's access to housing is therefore only possible through relationship with a male partner.

Conclusion

This study confirmed an intensification of the trends found in the 2003 study, specifically with regards to the passing of risks down the value chain, ultimately to be shouldered by the growing army of temporary women workers in the sector.

It is clear that international retailers do exert undue and increasing pressure on producers, both in the UK and South Africa. The power of supermarkets should be seen against the background of “freeing of the markets” and doing away with protectionism in the context of South Africa’s path of agricultural liberalisation. The drive towards greater levels of accumulation inherent in the system demands scale, size, technical expertise, as well as mobility.

There is a change in the way employers in the industry are responding to labour legislation insofar as there now is surprisingly greater official producer compliance with labour legislation and ethical codes than when the legislation was first promulgated. This is the case because compliance with ethical codes guarantees growers a place in the global supply chain. Campaigns by NGOs such as Women on Farms Project and ActionAid have exposed non-compliance within the chains, resulting in great embarrassment to supermarket shareholders and a threat to farmers losing their valued place in the supply chain.

However, compliance in the case of labour laws is with the minimum requirements of the law and many minimum levels introduced by laws have now in fact become industry standards. In addition, compliance has been made possible by locating the majority of workers outside the existing labour framework through the restructuring of labour, most notably the feminization and casualisation of the agricultural work force.

The evidence suggests that labour brokers, the majority of whom are former farm workers themselves, are locked in a dependant economic relationship with farmers and themselves represent another point of exploitation on the lower rungs of the global value chain. In much the same way as international retailers use their power to pass the risk down to producers, producers in turn pass risks related to labour costs down to independent contractors, who in turn pass these costs onto workers, most notably, women contract workers.

While agricultural workers have historically been poorly organized, the destruction of permanent jobs has made it virtually impossible to unionize, with almost no temporary workers belonging to unions. This is the case because union members are often targeted for retrenchment based on their status as a unionised member. With the exception of Sikhula Sonke, farm worker trade unions have largely failed to develop practical gendered strategies for effective organisation of the new growing category of workers.

While there are increasing numbers of women employed in agriculture, the study found that there is a systematic system of discrimination of women workers who bear the brunt of labour market restructuring. It is therefore clear that in the period between 2003 and 2007, there has been an intensification of the concomitant processes of casualisation and feminization in agriculture with

devastating consequences for the livelihoods of women and their families. The place of women farm workers in the global fruit and wine value chains have become simultaneously entrenched and eroded – entrenched insofar as they make a massive concentration of wealth at the top of the chain possible, and eroded as these risks are passed to them down the chain.

1. INTRODUCTION

Background

The current study is a follow up to research conducted in 2003 by Stephen Greenberg *et al* for the Women on Farms Project (WFP) which explored the position of Western Cape women workers in wine and deciduous fruit global value chains. The earlier study had set out to explore 3 central questions namely:

- 1) Were the implementation and impact of national labour laws weakened due to pressure on producers from *inter alia* transnational corporations, the World Bank, IMF, etc.
- 2) Do the purchasing and other practices of international retailers in global value chains encourage insecure and precarious employment, and
- 3) Do women agricultural workers face insecure and precarious employment in global value chains and do they bear the social costs?

The 2003 study found evidence to support the view that the national labour laws are not implemented or having the desired impact due to the pressure that primary producers experience in respect of trade laws and the economic restructuring of the global value chain in this era of globalization. In summary, the previous study found that:

Implementation of Labour Laws

- Although national labour laws were relatively progressive and presented a real advance on apartheid labour legislation, they are premised on the concept of “regulated flexibility” which undermines the use of regulation in favour of protecting minimum employment standards.
- Regulated flexibility has failed to provide adequate protection for the increasing numbers of workers in precarious employment situations.
- There is a lack of monitoring and enforcement of labour legislation due to inadequate capacity of government agents to carry out the tasks as well as the fact that the law itself does not allow for adequate measures and procedures to ensure compliance.

Ethical Codes and Purchasing Practices

- Codes are imposed more rigorously at the processing nodes of the chain, i.e. fruit packing and wine bottling, although this seems to be uneven.
- Codes act as a way of maintaining a place on the global chain and do not represent a way of extracting greater value for producers in the chain – not meeting the code means being excluded from global value chains.
- Although codes are expensive to implement and are resisted by some producers, many felt that it improved their agricultural practices and helped to modernize farming practices.
- Retailers use their power in the chain to capture a greater proportion of value, primarily through passing risks and costs to suppliers and producers, regulating the setting of prices and promotional costs and requiring increasingly stringent quality and process standards.

Women's Position in Agriculture

- Women bear the brunt of employment restructuring, both in and out of the workplace. They are being pushed to the back of the queue for increasingly scarce permanent jobs. Increasingly, they are also facing competition from men even for seasonal, casual farm work as unemployment and chronic poverty take hold of the rural poor.
- Many women who remain in employment experienced a restructuring of their jobs, adding to their insecurity. The processes of casualisation, externalisation and intensification are all part of this restructuring.

1.1. Aims of the Present Research

This study is a smaller follow-up study to the 2003 study and aimed to answer the following questions:

- What is the current context for South African wine and deciduous fruit production? Are producers in the global value chains for these two products enjoying improved or deteriorating conditions of trade and what factors contribute to these conditions?
- How has the position of agricultural workers changed since 2003 when the last study was conducted? Has the position of women agricultural workers improved or not?
- To what extent do primary producers in the deciduous fruit and wine value chains comply with labour legislation and ethical codes and to what extent do labour costs and the costs of implementing ethical codes of conduct have a bearing on the implementation of legislation?
- What is the role of international retailers in the value chain and how do their purchasing practices affect primary producers and agricultural workers?

1.2 Scope of the Study

The research:

- Reviewed the practices of multinational retailers in the wine and deciduous fruit sector and assessed the implementation and effect of various ethical codes applicable to the sector.
- Examined the perceptions and responses of farmers to current labour and land reform legislation as well as to retailer practices and codes of conduct. It also examined the perceptions and responses of farmers to labour market restructuring.
- Examined the perceptions and practices of distributors/ marketers/ exporters.
- Explored the effect of current labour and housing conditions for farm workers, particularly women farm workers.
- Assessed the degree of compliance of producers to existing legislation, particularly the Sectoral Determination for Farm Workers and the Extension of Security of Tenure Act (ESTA), as well as to compliance to ethical codes.

1.3 Coverage and Methodology

The research was carried out on wine and deciduous fruit farms in the areas of Ceres, Franschhoek, Stellenbosch and Grabouw. The study is primarily qualitative, drawing on other primary research. Semi-structured interviews were conducted with the following categories of respondents:

- Workers: Ninety-nine semi-structured interviews were conducted with permanent and seasonal women and men farm workers in Grabouw, Stellenbosch and Franschhoek. In addition, four focus group discussions were conducted that complemented the semi-structured interviews, and two interviews with trade union officials;
- Government: Representatives from the Department of Labour from the Somerset West, Paarl and Cape Town offices;
- Industry: The president and other members of the Agricultural Employers Union and managers of Fruitways marketing and exporting company;
- Resource People: Labour researchers from the University of Cape Town, the CEO and a senior auditor of the Wine and Agricultural Ethical Trade Association (WIETA).

1.4 Research Questions

Key research questions were:

- How has the political and economic environment for deciduous fruit and wine impacted on labour hiring strategies?
- Do international retailers use their power in the value chain to exert pressure on primary producers and what are the implications for other actors downstream?
- Are women agricultural workers bearing the brunt of employment restructuring?

1.5 Reflections on the Research

Ideally, the research process could have presented important capacity-building possibilities for the WFP and Sikhula Sonke staff. However, time constraints did not allow for fuller participation and an opportunity to train field workers, not only in administering the questionnaire but also in grappling with the situational analysis and contextual study, was lost. In the end, it was not the staff but shop stewards who conducted the semi-structured interviews using an interview schedule. They were, however, briefed by Sikhula Sonke organisers. The lack of training of the individuals who administered the questionnaires meant that they failed to explore certain questions fully and did not elicit sufficient information in respect of certain questions that needed qualification.

From follow-up interviews with workers, vital information was, however, obtained and the assistance received from WFP and Sikhula Sonke is appreciated. Staff members were very helpful in setting up focus groups that helped supply the additional information. The General Secretary of Sikhula Sonke provided access to the organization's database which provided invaluable information. It was initially intended to carry out 30 interviews; however, 99 interviews were actually undertaken. The bigger sample size compensated for any of the shortcomings mentioned above.

A limitation of the study was the small number of interviews carried out with producers, exporters and packing houses. Attributable to WFP's campaigning profile in the sector aimed at exposing labour and human rights violations, many industry players do not hold a favourable view of the organisation and as a result, were not willing to participate in the study. Consequently, the study relied heavily on secondary data in this regard. However, the key people who were interviewed provided valuable insights.

The literature review revealed that there was a great need for updated research for the period 2005 to 2007 because this period has seen dramatic developments with a bearing on the export of fruits and wines.

1.6 Research Team

SANPERI consultants was commissioned by WFP to undertake the research. The research team comprised Sharon Groenmeyer, Cynthia Le Grange, Hannah Hussey and Rita Edwards. WFP assisted with the conceptualisation of the research framework, while the data collection and analysis were carried out by SANPERI with the assistance of the following Sikhula Sonke organisers: Evelyn Ockers, Estelle Coetzee and Elizabeth Boonzaaier.

2. BACKGROUND & CONTEXT

2.1 Trends in Global and National Agricultural Production

2.1.1 Internationalisation of Agricultural Value Chains in the Era of Globalisation

Unprecedented internationalisation of both the production and supply chains within the context of global agricultural trade has been occurring over the last two decades. Deregulation of financial and commodity markets have resulted in greater access to markets, raw materials and labour by multinational corporations in developing countries. Producers and growers in developing countries have been losing market share in their own countries as cheap imports flood local markets. They have therefore been drawn into export markets where they have little competitive advantage. Corporations that are well-organized, technologically advanced, well-resourced and able to produce or supply to scale, dominate both domestic and global markets. It is a highly competitive and unequal trade relationship where a few large conglomerates dominate and flourish while small-scale producers, growers and suppliers flounder and fail. Currently, the global economic context is characterized by the deregulation of commodity and financial markets², export-oriented economic restructuring, reduction of the state's direct involvement in the economy, a cap on wage increases and labour market flexibility.

It is against this background that we view the changes in global agricultural production and trade. Agriculture has no doubt become highly commercialized. It is estimated that 1.3 billion people work in agriculture around the world and another 2.5 billion are supported from the proceeds of agricultural production. Agricultural trade has undergone many changes including mechanization, modernization, concentration and integration during this period of globalization.

Deregulation of agricultural markets has resulted in greater economic integration and prioritization in the export market, yet developing countries are unable to compete in this highly competitive sector and are therefore either losing market share or are not as integrated. In some cases, developing countries have been forced to become less reliant on exports. In the case of agricultural production in South Africa, the annual rate of growth in agricultural trade over the past decade was about 3 per cent, more than 3 times the rate of agricultural exports (Daya, 2002).

Trade in the past decade has been expanding faster than GDP. In the ten years up to 2005, South Africa's two leading product groups that experienced growth rates in excess of the country's global export figure of 8.7 per cent were Fruit & Nuts as well as beverages. Through a process of mergers, acquisitions and business alliances, a few global players are dominating the supply of agricultural inputs such as seeds and agro-chemicals. A few other transnational companies dominate distribution and buying while others dominate the processing and retail sectors of the international supply chain.

2.1.2 The Shift to a Buyers Market

The shift from a “producers market to a buyers market” has come about as a result of three important phenomena linked to globalization, namely:

1. Deregulation has led to a rapid expansion of global markets making it possible to supply fruit and other seasonal products throughout the year. The “flexible” global supply chain makes it possible to supply all kinds of fruits to supermarket shelves in highly industrialized countries where consumers have sufficient disposable income to buy sufficient quantities throughout the year. Importing fruit from producers in the South allows Northern supermarkets to supply fruit all year long even when it is not domestically in season. This is made possible through improved transport, storage and communication equipment and technology. In this scenario, global supermarkets have become increasingly important because they have become “one stop” shops where consumers are able to buy most commodities at affordable rates. Primary producers, on the other hand, fight to remain competitive by reducing labour costs and promoting brand names, while retailers who preside over economies of scale are able to squeeze primary producers. A large proportion of primary producers, especially small-scale farmers, are excluded from the supply base by the exorbitant costs related to dealing with large retailers.
2. So-called buyers-driven chains are characterized by private sector governance, as well as long-term vertical coordination between producers, suppliers, processors and retailers. Currently, the chief drivers in the chain are the retailers who have been dominating the ethical trade initiatives as well. These are generally high value chains where there is a possibility of tracing the product back to producers who may be subject to social /ethical audits. The biggest barriers to entry into this market are capital; technology and organizational capability .The key characteristics of this high value market are quality, consistency, reliability and lower prices.
3. The increasing importance of fruit marketing agents in efficiently ensuring that fruit is imported under safe conditions, unspoilt and on time is another feature of the current period. In the UK, for example, four large fruit marketing agents, Worldwide Fruit, Empower World trade, MW. Mack and International Producers, supply 80 per cent of fruit. In South Africa, the distributors/ exporters market was deregulated in 1996. Prior to deregulation, Unifruco had the monopoly of the fruit export market. Since deregulation of the industry, smaller players have come to the fore such as Fruitways while Unifruco merged with Outspan to form Cape Span, a major player in the export sector.

2.1.3 Oversupply in the Value Chain

The emphasis on the export market as well as the dramatic changes that have occurred in the fruit and wine markets have seen dramatic crop surpluses that coincided with the merging of supermarket chains into large conglomerates which depend on a few commodity or crop category buyers who eliminated wholesale buyers. These large buyers have begun to set the quality standards for crops.

The price of wine and deciduous fruit dropped in a climate of oversupply. An international glut of apples, even of premium value cultivars like Gala and Fuji, reduced the market window advantage that apple-producing regions had. The way in which the apple industry dealt with the oversupply was to adopt a strategy of registering new cultivars as intellectual property and patents with exclusive licensing to a marketing agency as a brand franchise or club variety and thereby prevented oversupply and falling prices. Marketing agencies control nursery production, acreage planted and crop markets and could be the exclusive marketer. For example, a new apple cultivar, "Jazz", was produced by a private New Zealand fruit science company and was licensed to a marketer who approved acreage planted and production marketing of this new cultivar in New Zealand, France and Washington State. Patented cultivars could be exclusively licensed to grower investors who then own the exclusive rights to patents and who could control nursery production and orchard development to provide yields based on royalties.

2.1.4 The Role of International Retailers

In the UK, fresh produce makes up 10 per cent of supermarket sales but generates 28 per cent of the gross margins. The Competition Commission in the UK has found a 13 per cent buying price advantage for superstores over other players in grocery retail. Increasingly, powerful customers and even more demanding retailers require year round supply, constant quality, safety and ethical trading from those they are sourcing their products from. In the example below, the dominant role of one of the conglomerates is illustrated.

The UK Competition Commission has been investigating the allegation that TESCO and ASDA (two of the biggest supermarkets in the UK) are exerting undue pressure on suppliers in the UK to:

- accept below industry set prices for their goods;
- carry risks when the supermarkets change contractual agreements without adequate notice;
- accept late payments against invoices; and
- expect producers to carry promotional expenses.

The Commission has been investigating these large retailers since 2006, after receiving complaints about "rapid expansion, predatory pricing, their relationships with suppliers and their entry into the convenience sector" (Reuters, 2007).

The investigation takes place against the background of TESCO UK's share of the grocery market rising to 31 per cent; its group profit before tax was 20.3%. TESCO has supermarket outlets throughout the UK while worldwide it has opened more than 200 new stores from Japan to Poland. However, its biggest market is in the UK, a big importer of South African deciduous fruit and wine. In 2006, South African exports were valued at R1 billion: 34 per cent of exports were to the UK.

A submission made by the British Independent Fruit Growers Association in 2007 claimed that prices currently paid by supermarkets for UK apples and pears are so low that many growers doubt whether they will survive. The report notes that price pressures on primary producers could cause long-term irrevocable damage to the UK food supply chain base and that this could have knock on effects for consumers in terms of product choice and availability, as well as product innovation.

According to Michael Hart, the chairperson of the Small and Family Alliance, "TESCO has driven down the price of meat, vegetables everything because they have such a huge share of the market. It is a monopoly position - they can simply go and find someone else who will supply them at the price that they want".

The Competition Commission found that TESCO was consistently paying suppliers 4% below the industry average and that suppliers accepted the price because they were afraid that they would lose trade. The investigation continues with the Competition Commission investigating whether the conglomerate supermarket chains, through 'predatory practices' where the risks are pushed down the value chain to growers, distort competition.

However, in January 2007, the Competition Commission said that if it was proven that consumers are benefiting from predatory pricing, even if it means that smaller players are unintentionally squeezed out of business, it would not act against the retailers. However, the Competition Commission did warn that its investigation is ongoing and that it would not tolerate corporations abusing their dominant position.

In August 2007, the commission asked both TESCO and ASDA to hand over emails as it continued to investigate whether these giant supermarkets were exerting undue pressure on suppliers. TESCO, however, is confident that the Commission will find that "they are professional in all their dealings with suppliers and act to the ultimate benefit of their customers".

The key trends that have been observed in respect of the retail environment are:

- Well-organized retailers are growing their market share;
- There is ongoing consolidation and joint purchasing;
- Discount stores are growing but reaching saturation point;
- Private labels;
- Market polarization.

In this scenario, every type of fruit has to fight for shelf space in supermarkets; the markers for competition for fruit are:

- Health and convenience;
- Exotics;
- Super fruits and organic fruits;
- Local Pride;
- Private label.

The following table illustrates the dominant position of the supermarkets in the retailing of fruit in the Netherlands:

Table 2.1: Position of different categories of markets in the Netherlands (%)

CATEGORY	1999	2002	2005	2006
Supermarkets	64	69	75	76
Market Stall	17	16	12	12
Greengrocer	11	9	6	6
Other	6	7	7	7

The environmental secretary, Margaret Becket, had the following to say in 2005, “Supermarkets have to realize they and their customers need a sustainable UK-based supply chain and that it is not in their interests to squeeze suppliers to the point of elimination”. During early 2005, the Financial Mail in the UK was inundated with reports of big retailers’ sharp practices against small farmers.

Analysts have observed that retailers are externalizing low profit functions, shifting costs down the value chain and thereby increasing their profit margins.

2.2 The South African Agricultural Context

As the country faced numerous internal challenges linked to the transition to democracy, agricultural production was confronted with challenges brought about by increasing globalization and liberalization of markets. The changing and deteriorating terms of trade for many growers were brought about by the following processes:

- **Deregulation of international markets** whereby trade tariffs and exchange controls were reduced, allowing overseas agriculture greater access and market share. Stiff competition followed as agricultural subsidies were withdrawn whilst growers were confronted with a buyers market that was becoming increasingly monopolistic as international retailers were becoming more powerful. Whereas growers were known for supplying cheap quality bulk wines, the modern tendency was towards regularly supplying good quality brands in sufficient quantities whilst meeting certain safety and packaging standards. While the modern bigger estates were able to compete, others lost out completely. Increasingly, accumulation required economies of scale, which in turn squeezed suppliers and primary producers for greater quantities and/or cheaper prices. In this so-called buyers-driven production model, the barriers to smaller producers are capital, technology, organizational scale and finance.
- **Integration, concentration and diversification:** Increasingly, South African growers were faced with coming to terms with processes such as supply chain management resulting in greater coordination. The drive towards higher levels of accumulation as well as the need for greater coordination was leading to greater vertical and or horizontal integration and concentration to meet the demands of international retailers for consistency, quality, reliability and lower prices. In South Africa, there were mergers leading to narrow supply bases and job losses within production. For example, Stellenbosch Farmers Winery and Distillers merged to form DISTELL that subsequently integrated producing farms and

packing houses within its commodity chain; however, it cost 2,000 jobs. Distell was the subject of the South African Competition Commission that was investigating it for cartel type behaviour. There is a simultaneous process of concentration in, for example, firms that supply inputs to primary producers such as seeds, chemicals, bottles and cardboards for packaging. It has been observed that these trends are not restricted to export markets.

2.2.1 The Performance of Primary Producers

According to the six-monthly Economic Review for the 2006/7 period ending July 2007 produced by the Department of Agriculture, agriculture remains an important sector in the South African economy despite its shrinking share of GDP primary: in 1965, for example, agriculture's contribution to GDP was 7.1% while in 2006, it was 2.3%. Primary agriculture is seen as an important earner of foreign exchange and an employer in rural areas.

During the period 2006/7, income from horticultural products increased by 10.5% from R19,809 million in the previous period to R21,893 million while income from animal products was in the region of R44,417 million. In the same period, farmers received an average increase of 21.8% for their produce, while they paid on average 6.5% more for farming requirements. The prices of horticultural products and fruit increased by 7.6% while the prices of milk and poultry increased by 14.9 and 14.4 % respectively. Producer prices, on the other hand, increased on average by 21.8% - in the case of summer grains and sugar canes, it increased by 99.4%. In the case of fruit, vegetables and viticulture it increased by 7.5%, 3.7% and 2.1% respectively.

The value of agricultural imports for 2006/7 increased to R24, 10 million from R17, 193 million and exports increased by 14.4% from R 24,754 million to R28, 330.

Table 2.2: Export Revenue

Category	Amount
Wine	R4, 282 m
Citrus fruit	R3, 804m
Grapes	R2, 470m
Apples, Pears & Quinces	R2, 284m
Wheat	R1, 047m

Table 2.3: South Africa's Largest Import Partners

Country	Amount
Argentina	R 4,932 m
Brazil	R 2,127 m
UK	R 1,613m
U.S	R 1,392m
Thailand	R 1,274m

Table 2.4: South Africa's Biggest Export Destinations

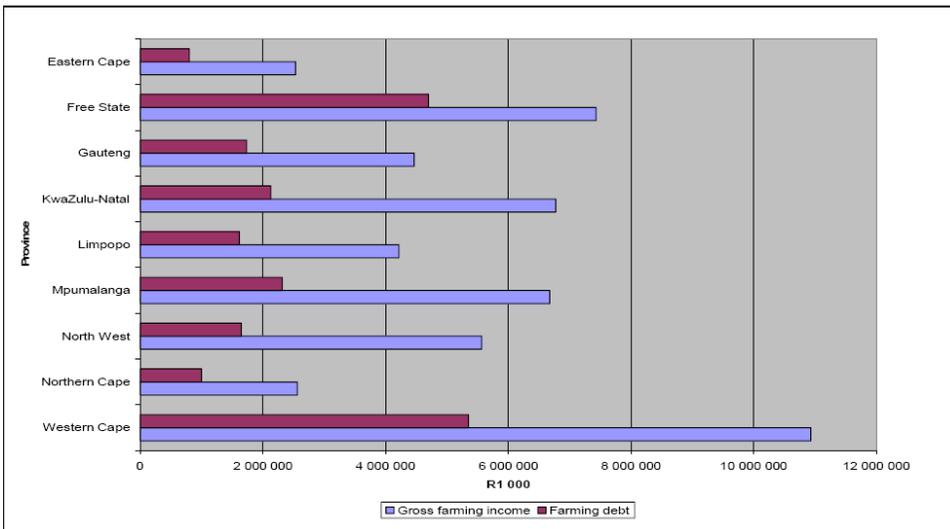
Country	Amount
UK	R 3,874m
Netherlands	R 2,127m
US	R 1,431m
Germany	R 1,428m
Mozambique	R 1,312m

Export of agricultural products has grown by 8.7% whilst imports grew by 7.9%.

The following agricultural trends are also noted:

- Rapid integration of markets;
- Exports of processed agriculture is expanding, driven by demographic, social and economic trends;
- Supermarkets are emerging as a major force in developing countries;
- Least Developed Countries' exports declined by 30 % (FAO, 2005 quoted by Dada & Steenkamp, 2005);
- Production costs have escalated;
- Higher demands for quality;
- Producers are experiencing low static returns on their produce.

A survey of large agricultural farms with a gross annual income of R2 million and more (Stats SA Oct 2006) shows the Western Cape has the highest gross farming income with horticulture the main generator of this income.



Graph 2.1: Gross framing income and farming debt per province within agriculture (Stats SA: Survey of large scale agriculture 2005/6)

**Table 2.5: Breakdown of gross farming income per major division within agriculture
(Stats SA Survey of large scale agriculture 2005/6)**

Province	Field crops	Horticulture	Animals	Animal products	Other products
	R1 000				
Eastern Cape	157 791	807 391	732 924	818 232	14 854
Free State	2 905 425	927 576	2 960 291	624 638	15 519
Gauteng	373 867	1 222 082	2 074 486	774 655	21 627
KwaZulu-Natal	1 831 954	783 252	2 903 526	1 085 889	170 148
Limpopo	468 771	2 424 851	1 058 133	222 650	41 031
Mpumalanga	2 087 253	1 927 910	2 120 676	476 691	64 893
North West	1 300 842	496 235	3 294 170	465 938	8 883
Northern Cape	783 257	1 069 721	615 257	88 459	4 324
Western Cape	850 945	5 964 639	2 374 241	1 554 451	189 316
South Africa	10 760 105	15 623 657	18 133 705	6 111 602	530 595

2.2.2 The Wine Industry: The Shift from Producing Cheap Bulk Wines to Quality Brands

Prior to 1994, South African had been producing wine essentially for the local market having experienced a fairly prolonged period of economic isolation during the period of economic sanctions during the apartheid era. Wine production had been characterized by skewed ownership patterns, as well as price and production stability that had been regulated since 1917 by KWV. However, until 1993 agricultural labour practices had been mostly unregulated. Cheap labour costs, vast tracts of fertile soil and state assistance in the form of subsidies had given South African producers their comparative advantage.

With the increasing internationalization of trade together with the search by highly industrialized countries for cheaper markets, South Africa became more integrated into the global agricultural market. Rapid deregulation of markets led to South Africa increasingly producing for an export market. The country had to shift from producing cheap quality bulk wines to good quality brands in large enough quantities. This opening up of international markets occurred at the same time as the advent of democracy and the regulation of the agricultural labour market.

South Africa is the sixth largest wine producer in the world (Mesenheimer et al, 2001). Wine exports grew from 20 million litres in 1993 to 127.3 million litres in 1999. For every Rand invested in wine production, an income of 25 cents was generated, while 5.3 jobs were created for every R1,000,000 invested in wine (Du Plessis, 1999).

Table 2.6: Wine production for the period 1994 to 2006 (WOSA)

Year	Litres
1994	50,700,000
1996	99,900,000
1998	168,800,000
2000	138,400,000
2001	176,100,000
2002	215,800,000
2003	237,300,000
2004	266,500,000
2005	280,084,116
2006	271,777,534

The table illustrates export trends over the last ten years. It shows a period of boom immediately after a period of relative isolation during the apartheid period. Already in 1998, wine was contributing R6,988 million per annum, of which exports amounted to R193 million, whilst tourism in wine was contributing R1.512 million. Wine's contribution to GDP was in the region of R11,672 million.

During the 1960s and 1970s, the emphasis was on the development of the local market; this so-called inward production focus resulted in the production of poor quality wines. During the 1990s, suffering from a lack of exposure, the industry was confronted with a number of challenges. The key challenge was to produce wine of consistent quality from year to year to and to deliver it at the right time and place as well as for the right market. After the deregulation of the industry, the value chain became even more fragmented; greater coordination was needed to face the challenges. In addition, the global market was far removed from the primary producer.

During the four years up to 2004, South Africa received approximately 3 times less for its wines in Europe compared to fellow "new player", New Zealand. South African wines are not subjected to meaningful duties worldwide. Under a bilateral agreement with the European Union, S.A has a binding contract that allows access with zero duties for about 20% of its export wines while the remainder enters at an average duty of around 6%.

Table 2.7
Comparison of annual performance for 5 wine-producing countries for 1994-2004
(US\$/tone)

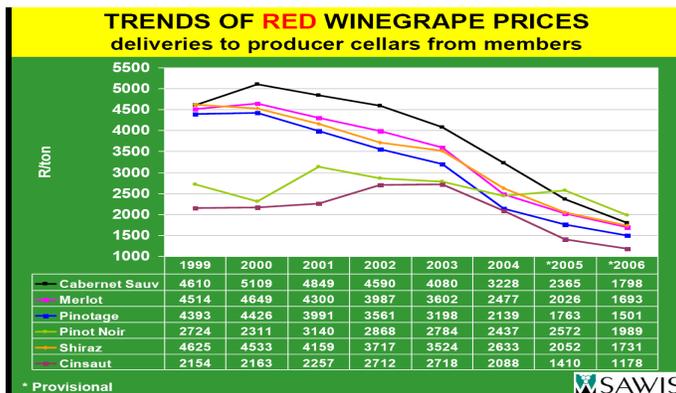
	1994	1996	1998	2000	2001	2002	2003	2004
Australia	1,666	3,311	3,178	2,907	2,653	2,699	2,869	3,096
Chile	1,212	1,444	1,460	1,434	1,325	1,764	1,696	1,784
France	3,556	3,729	3,600	3,403	3,085	3,512	4,386	4,822
New Zealand	2,985	3,660	3,388	2,349	4,434	4,969	5,796	6,035
South Africa	1,318	1,556	1,719	1,378	1,440	1,359	1,799	2,040

On 10 September 2007, Wines of South Africa (WOSA) released a statement stating that S.A wine exports were back on track after a temporary hiccup when sales dipped. According to Sue Birch, WOSA's total exports to the UK for the first seven months of 2007, increased by 30%. The average retail price for a 750ml bottle had risen to 3.91 pounds. The estimates for the 2007 harvest are 736,9 million litres, up from 2006 figures. South Africa produces 3.4% of the world wines and ranks as number 9.

The industry is facing the following challenges, many of which are being addressed with the assistance of the Department of Agriculture.

- Shortage of premium cultivars;
- Escalation of production costs;
- Cellars without laboratories;
- Poor integration of technology;
- Low-level human resource development – i.e. too few qualified wine makes.

The report for the period 2004-2006 by SAWIS Cellar Grape Prices shows that prices decreased over these years – from R 1,458/ton to R 1,384/ton to R1, 264/ton for 2004,2005 and 2006 respectively. The graph below shows this for red wine grapes specifically, while the white wine grape prices are reported to have stabilized since the increase in 2002/3 (from same report).



2.3 The Deciduous Fruit Industry

South Africa is one of the largest exporters of high quality fresh produce in the southern hemisphere. It is second only to Chile and is seen as a major competitor for US fruit. The country has a long history in exporting fruit, having celebrated 100 years as an exporter of fruit to Europe in 2003. The first products that were exported were grapes and peaches. Currently, apples constitute 43% of the country's deciduous crop.

In 1999, the deciduous fruit industry had an annual turnover of R4.6 billion of which R3 billion had been earned on foreign markets and R1.6 billion on domestic markets. During 2000, deciduous fruit comprised 29% of the gross value of horticulture and a total of 363,768 tons of deciduous fruit had

been sold on 16 major local fresh produce markets, a 21% increase on the previous period. An analysis of the industry shows a cycle of "Booms and Busts": analysts predicted in 2005 that 30% of South Africa's fruit farmers would be insolvent in 5 years time unless new markets were found.

1999 proved to be a disastrous year for apples and pears and 2000 for grapes and citrus products. Hereafter, the industry experienced four years of good market conditions. 2002 was a record year for the strengthening of the Rand. The South Americans saw an opportunity when the dollar depreciated and therefore increased supply. During 2003/4 South Africa competed with South American fruit for European market share.

Analysts estimate that the sector is earning approximately 15% less in Rand terms than it did in the 2004/5 mainly because prices are down by 30% from the high levels of 2000/1. Primary production costs have increased linked to exchange rate fluctuations. Packaging costs have continued to increase despite the stronger Rand and has a 7% import duty. Wages have increased by double the inflation rate although it should be noted that there is no relation between the annual minimum wage increase and poor performance (Optimal Agricultural Business System, 2005).

Due to consecutive years of lower income, producers are not in a position to replace old plantings/cultivars. The Hex River reported its lowest crop in 10 years, having reduced its table grape volume by 35%.

A total loss of more than R450 million for table grapes and gross total apples per crop in the Ceres area is down by 20% on a normal year due to water shortage, sunburn and extreme heat in Elgin and Grabouw. In Piketberg, production came to a standstill due to the lack of availability of water.

In general, farmers site the following as the key reason for under performance:

- The supermarket price wars in Britain;
- Policies that cause production costs to increase which in turn affect competitiveness;
- Continued high import duties in some European countries;
- Inefficiency in the management of the logistical chain.

2.3.1 Deregulation of the Marketing and Distribution of Deciduous Fruit

The Agricultural Marketing Act of 1936 brought into being the establishment of the Deciduous Fruit Board. It was the single channel through which all deciduous fruit was exported and which regulated the export market of deciduous fruit in the country.

In 1986, the Deciduous Fruit Board delegated its powers to a cooperative called the Universal Fruit Traders Cooperative (UNIFRUCO), the only channel through which deciduous fruit was marketed and exported. In 1996, exporting and marketing in the industry were deregulated and all control boards abolished. At this time, there was a mushrooming of marketing companies; 60 licenses were granted. UNIFRUCO merged with the citrus fruit export company, OUTSPAN, to form a new company, called CAPESPAN, and continued to preside over a large slice of the export market. A subsidiary, Fresh Cape Juices, is owned by UNIFRUCO (65%) and Ceres Fruit Growers (35%).

Key characteristics of the deregulated marketing and export node of the value chain are the high transactional costs and the lack of effective coordination, the mushrooming of marketing companies and the over-emphasis on exports.

2.3.2 Tariff Reduction

Under a bilateral trade agreement with the European Union, South Africa has a binding quota that allows access with zero duties for about 20% of its exports while the remainder enters at an average of around 6%. Under the AGOA agreement with the US, South Africa's goods enter the US duty free or with up to 1.5 % import duty costs.

2.4 The effects of State and Private Sector regulation on the agricultural labour market

2.4.1 State Regulation of the Labour Market

South Africa introduced legislation to regulate the agricultural labour market at the same time as the trade market was being deregulated. In other words, agricultural employers were required to transform a labour market that relied for its competitive advantage on cheap labour and cheap land as well as extensive support from the state in the form of subsidies to one where labour laws were upheld and security of tenure of farm workers/dwellers was respected. Labour legislation such as the Basic Conditions of Service, Occupational Health & Safety, Labour Relations and Employment Equity laws were extended to agricultural workers during 1993. Producers who were having agricultural subsidies taken away at the same time as being confronted with increased labour costs, were highly resistant.

White commercial agriculture that had hitherto been protected by successive apartheid governments whose policies such as the Land Acts, agricultural subsidies and cheap loans through the Land Bank which had served to give them some comparative advantage on overseas markets, was experiencing the inequities of free trade. After the years of isolation during the apartheid years, they were free to compete internationally in a global market system with increasing competition. At the same time, the new democratic South African government was reforming archaic paternalistic and discriminatory labour practices as well as unequal land ownership patterns.

2.4.2 Restructuring the Global Labour Market

Under globalisation, the labour market was being restructured to allow for greater capital accumulation whilst the question of labour rights and laws also gained greater prominence internationally. An anomaly of globalisation is that it has both stimulated downward pressure on labour standards, while also creating the circumstances to resist it. It has given rise to the internationalization of a labour rights culture while creating the economic conditions that could easily transgress these rights. A flexible labour market came into being in the context of an escalation in international trade as well as the reduction of protective measures such as tariff controls, import duties and exchange controls. Employers responded by resorting to measures to control the one area of costs over which they had control, namely labour. Retrenchment, reduction of permanent

employment and outsourcing their responsibilities to labour to third parties, are some of the measures that employers have utilized.

Greenberg points out that the regulatory aims of new labour legislation have been undermined by other policies on the labour market such as trade and monetary policies. He states: "Policies have reinforced rather than addressed the structural problems in the economy, thus unemployment and under employment have continued".

It is particularly the workers on the margins that have been failed by new legislation. International Labour Organization (ILO) Reports (2000; 2003; 2005) point to the fact that workers protection has largely been centred on the universal notion of an employment relationship (Benjamin, 2005). However, many people found themselves outside the employment relationship and were "own account" or "self employed" contractors. With the growth of technology, the globalization of the economy and the transformation of the organization and functioning of enterprises there has been a growth in the numbers of workers who are outside the employment relationship and earning their wages through third party contractors/recruitment agencies. This process of outsourcing of the employment relationship is referred to as "externalization" or "triangular employment arrangements".

A related trend has been to employ workers as casual labour or on short-term contracts. The exclusion of 'independent contractors' from labour legislation has facilitated the process of casualisation. Employers have exploited this loophole by converting 'workers' into independent contractors or self-employed workers in order to bypass legislation. There is evidence that employers in different sectors have convinced their employees to sign contracts converting them into independent contractors – even when their work remains unchanged.³

2.4.3 Temporary Work and Triangular Employment Arrangements

Although there are no reliable data available, indications are that the recruitment/labour broker industry is currently one of the fastest growing industries in the country. In the UK, temporary casual workers are mainly migrant workers from Eastern Europe and China and the labour contractors are referred to as gang-masters. Seasonal temporary workers in the US are migrants from Mexico who live and work under precarious conditions. Clearly, this phenomenon of employment of casual, seasonal workers in agriculture has always existed but has, however, grown exponentially over the last decade or so. In South Africa, the increase in temporary work has been presented as successful 'job creation' strategies offering new job opportunities for workers. Some also advance the argument that the growth is as a result of larger numbers of workers (especially women) seeking more flexible working arrangements. Some temporary employment agencies do not hide the fact that temporary staff provides a way for employers to avoid the labour laws, or retrench workers who are trade union members and regarded as troublesome for so called 'operational requirements' and replace them with workers who do not belong to unions.

For example, thousands of workers in the clothing industry have been converted into independent contractors. Despite this 'conversion', they report to work at designated times and carry out the same task in the same manner that they did when they were employees of the company. Workers remain dependent employees of the employer regardless of the new designation of 'independent contractor'.

More significant changes in the shape of temporary employment and the role of recruitment agencies have taken place over the last decade. There has been a dramatic increase in temporary work, with the temporary help sector now one of the fastest growing industries in the country. Although administrative work still forms a large part of the placements agencies make, agencies have actively expanded into a range of different 'non-traditional' sectors and are supplying workers in various job categories.

Extensive flexibility for employers has been achieved through this provision. It is this flexible labour market that is regulated through the regulated flexibility framework that provides several mechanisms for varying standards. One key way this can be done is through sectoral determinations. The sectoral determination for the agricultural sector utilises a provision in the BCEA to vary employment conditions for agricultural workers.

2.4.4 State Regulation

The Agricultural Labour Act (147/93) was passed in 1993. Until then, farm workers had generally fallen outside the legislation, and had enjoyed less protection than that of the broader labour force. In 1995, the Labour Relations Act (66/95) (LRA) integrated all labour law and repealed the special provisions for agricultural workers. It also introduced the Commission for Conciliation Mediation and Arbitration (CCMA), a statutory dispute resolution body for sectors not covered by bargaining councils, including farm workers, thus abolishing the Agricultural Court and limiting all agricultural labour disputes to the CCMA or Labour Court for resolution.

The Basic Conditions of Employment Act (75/97) (BCEA) which had incorporated protections for farm workers but retained certain transitional arrangements for agricultural and domestic workers, was finally repealed in 2001, and specific amendments and additions were made to the basic conditions of agricultural workers through regulations attached to the BCEA, called the Sectoral Determination for the Agricultural Sector (R1499/2002). Included in this legislation is the minimum wage for farm workers, occupational health and safety provisions as well as provisions in respect of payment in kind. Legislation that affords tenure security for farm workers who live on farms have been separated from the labour legislation and makes up part of land reform legislation. This legislation has been under review by a special committee of NGOs because loopholes in the legislation have effectively provided a legal framework for employers to evict farm workers.

2.5 Vulnerability of Women Workers in Agriculture

The majority of agricultural workers are vulnerable, as their jobs are constantly under threat of being retrenched, having their contracts run out and not renewed, or their employers outsourcing employment to labour contractors. They work in a highly competitive global industry and yet they are collectively the lowest paid formal employees in the country. Only 10.6% of those working in the formal sector are agricultural workers. In terms of informal sector employment, agriculture is the second largest employer: 15.5% of people working in the informal sector are employed in agriculture. The least skilled workers are to be found in the agriculture and fishing industries (Labour Force Survey, 2004).

The global trend towards outsourcing and externalization of labour has hit South African agriculture particularly hard. The profile of a worker who is a male, permanent, full-time, long-term employee with employment benefits (medical aid and pension fund) working at one fixed workplace where formal representation by a nationally organized union is available is very far from the reality of the agricultural labour market. In contrast, the average farm worker is a female, non-permanent, seasonal, migrant, non-unionized employee, enjoying no social benefits and working for various employers and/or clients at various workplaces.

A study in the UK in respect of precarious work points to the fact that the majority of the precarious workforce are women whose employment situations are characterized by low pay, low status, little job security, training or promotion prospects (Fredman, 2004). Research in South Africa confirms this trend.

3. RESEARCH FINDINGS

3.1 Labour Market Regulation by the State

3.1.1 Labour Legislation and Worker Rights

Farm workers were first able to engage in industrial action with the passing of the 1994 Agricultural Labour Act. The Act protected workers against unfair dismissal and conferred collective bargaining rights. This Act was replaced by the 1995 Labour Relations Act, giving workers the explicit right to strike and access to mediation services.

Complementing these worker rights is the Basic Conditions of Employment Act (1997) on basic employment standards, which expanded and extended protection for workers. The BCEA was developed within a framework of 'regulated flexibility', which set a basic floor of employment standards but allows for a downward variation of conditions through a range of mechanisms (Clarke *et al*, 2003). This system allows the Department of Labour to balance the setting and protection for minimum standards with requirements of labour market flexibility. Thus, the framework for labour legislation dictates that South African enterprises compete internationally with countries where employment standards and social cost of production vary considerably (Clarke *et al*, 2003).

Consequently, legislation avoids the imposition of legal rigidities and provides greater flexibility, thus introducing more responsive mechanisms for variation from standard employment relationships (Department of Labour, 1996: 27). General information indicates employment trends with little protection of atypical workers – only cover casual workers who work less than 24 hours a month. Furthermore, there is no coverage of home workers, owner-drivers and task workers who fall outside the definition of employee and are thus not protected (Clarke *et al*, 2003).

3.1.2 The Role of the Labour Inspectorate

Within this legal framework, the role of the Department of Labour is confined to monitoring and enforcement of labour legislation. This role is further diminished by the limited number of provincial inspectors employed, often far below the number of vacancies in the offices. Because of understaffing and capacity problems, inspections are reactive, responding to complaints rather than a proactive approach with consistent follow up. The Western Cape employs 140 labour inspectors. According to Ms van den Heever of the Western Cape Provincial Office, an integrated strategy is being formulated to address this capacity problem (Personal communication, 12 October 2007). The departmental budgets have allocations for vehicles and each inspector is allocated a vehicle as part of a salary package. However, the Somerset West Labour Centre did not have an adequate supply of vehicles to implement their strategies.

3.1.3 Nature of Services Provided by the Labour Inspectorate

Interviews conducted with Labour Inspectors from the Somerset West and Paarl Labour Centres and the Provincial Office revealed that local offices implement both proactive and reactive

strategies. The Somerset West Office follows the 2007 National Strategic Plan and has been proactively targeting different sectors such as the construction, hospital and security sectors (Personal Communication, Janse van Rensburg, 3 October 2007). Their strategic plan for 2005 and 2006 targeted the farming areas of Stellenbosch and Grabouw respectively. They perceive many changes to have taken place, with greater numbers of farm workers permanently employed with a similar rise in the number of labour brokers who hire contract workers.

The Labour Centre Forum is a stakeholder forum for business and worker representatives to advocate and provide information on workers rights and understand the role of statutory bodies like the CCMA and DoL. Recently, the CCMA, in collaboration with Provincial Department of Labour, did a road show. Advice offices are also invited to participate because this ensures that community and worker organisations are kept informed of recent developments in the DoL.

In terms of reactive strategies, the Labour Inspectorate uses a checklist to assess farm owners' compliance with labour legislation and do this in response to complaints lodged.

3.1.4 Assessing Compliance to Labour Regulations

The Provincial Office and Labour Centre's approach is to blitz a particular geographical area. This proactive approach provides an opportunity for awareness raising rather than punitive measures. Inspectorates have targets: (1) Use self- initiative to approach employers and employees by raising awareness of their rights. (2) Labour centres establish projects to address a specific problem. (3) Adopt a cluster approach: the Southern Cape has developed strategies together with its units by setting specific timeframes for advocacy followed by inspection. (4) The provincial office has specific targets which are allocated to labour centres. This is percolated down to individual inspectors who have individual performance agreements. In using this approach, it has been found that the employers' responses to inspections are far more positive because of the awareness raising and advocacy role of Department of Labour.

3.1.5 Method of Monitoring and Ensuring Compliance

The Labour Inspectorate uses a checklist to assess compliance with labour standards and human resource development. There has been a shift over the past five years: Farm employers familiar with labour legislation appear to conform rather than resist. Compliance is directly linked to the size of the farm and the level of mechanisation. Bigger corporations appear to be more compliant whereas, small farmers often fail to comply. In more outlying rural areas, many farmers continue to be unscrupulous because of the continued and resistant paternalistic relationship between employer and farm worker.

A farmer who is in contravention of labour legislation is given 21 days to address the problems before a second inspection is concluded; Health and Safety contraventions have a 60-day review period.

The Somerset West DoL Office receives 60% of its complaints in the agricultural sector from the Theewaterskloof area. Personnel respond to complaints but are hampered by understaffing and the fact that they only have 2 vehicles for 7 inspectors and one supervisor.

In Grabouw, many farmers have employed a core of permanent workers. To remain globally competitive, farmers employ consultants to handle their staffing issues. Labour brokers are consulted for contract employees/seasonal workers.

3.1.6 De-Linking Labour and Social Rights.

Respondents indicated that there have been shifts towards atypical workers who are casualised and seasonal workers. There is a perception that the shrinking permanent workforce, the Extension of Security of Tenure Act and the cost of labour are reasons for this shift towards a small core of permanent workers who are mainly male and Coloured. One would guess that the size of the permanent workforce on farms in the Western Cape might have increased because of the relative success of the wine and fruit industries in export markets; however, in the rest of the country there is no evidence to show that a growth in output has been employment-generating. What we do know is that uncertainty has caused a virtual collapse in new investment in agriculture (in fact there is evidence of disinvestment), which is disastrous for employment creation (Personal communication, Nick Vink, 12 October 2007).

Currently, the Labour Inspectorate focus on Employment Equity requires that farm owners register with the SETA. Often employment equity plans are not complied with. While each farm has an Employment Equity plan to promote previously disadvantaged groups, especially women, interview findings indicate that farm owners are reluctant to provide career pathing for their employees. For example, when a vacancy for a tractor driver exists, women farm workers are not eligible because they do not have the requisite skill. This is a typical affirmative action scenario where the employer is more concerned with filling the vacancy than developing career paths for core staff. Some shifts have taken place in dairy farming where women are employed in the milkery as machine operators.

An example of de-linking of progressive labour legislation from social rights is the farmers in the Grabouw area who employ Xhosa-speaking female seasonal workers who live in women's hostels. They are employed on a 3-month contract, which is renewable. In the Ceres area, men and women from Lesotho work illegally on farms. Many are casual workers because they do not have the necessary work permits for employment in South Africa. From interviews, many seasonal workers are the wives or spouses of permanent male workers. Ceres farmers have cut back on permanent workers by employing female workers who appear willing to accept lower wage rates and no core benefits.

A representative of a Trade Union felt that ESTA as well as cost of labour explain this shift towards a small core of permanent workers who are mainly male. Farmers have used operational issues to downsize and get rid of workers and are able to utilise loopholes in current ESTA legislation to legally evict people. Workers appear to have no recourse because farmers have followed the law. Thus, ESTA does not serve to protect farm workers from being legally evicted.

Externalisation of the employment relationship encourages labour contractors who are often former farm workers themselves. In the Grabouw area, employer's organisers have registered labour brokers. Labour brokers often do not register workers for Unemployment Insurance Fund and Workers Compensation. Registration of temporary employment services was dropped from the new Labour Relations Act. While temporary employment agencies are now required to register with the DoL in terms of the Skills Development Act, this is considered a paper exercise and not intended to monitor workers rights and employment conditions (Clarke *et al*, 2003). Weak monitoring mechanisms and the poor definition of private employment services taken from the old Manpower Training Act has been inserted into the Skills Development Act. This definition is out of date with current developments in temporary employment contracts. Consequently, a large percentage of labour brokers fail to register and the activities of temporary employment agencies continue to be unregulated.

Labour brokers and temporary employment services contract seasonal workers on behalf of farmers which legally binds both labour brokers and farmers making them mutually responsible for the employment contract. However, enforcement and compliance of minimum wage legislation and sectoral determinations appear poorly monitored because the definition of an employee does not fit the Act's definition of an employee. The Provincial DoL has contracted experts to conduct research into the role of labour broking in Western Cape. Brokers are not registered and thus often not compliant, especially in the Elgin, Grabouw and Villiersdorp areas. WIETA have insisted that labour brokers be registered.

According to Mr Polson of the Provincial DoL Office, there are loopholes in labour legislation on seasonal workers performing piecework. The legislation does not determine the rate of pay for piecework, nor does it determine the overtime rate. A piece worker should not take home less than the minimum wage. Legally, there should be no discrimination against women workers because of Employment Equity legislation. However, NGOs and unions report that piece workers often earn less than the minimum wage and women workers often experience discrimination.

3.2 Private Regulation - Effects of Ethical Codes on Labour

3.2.1 The Perceptions and Experiences of WIETA (Wine & Agricultural Ethical Trade Association)

WIETA originated out of the Ethical Trade Initiative in the UK that piloted its base code of ethical practices in the wine industry in the Western Cape. WIETA was formally constituted in November 2002 as a not for profit, voluntary organization with representatives from agricultural labour organizations, growers, producers, exporters, NGOs and the Department of Labour.

The main goal is to ensure the improvement of the working conditions of agricultural workers through adherence to a code of ethical practice by those involved in primary and secondary production.

Three key global phenomena have facilitated the development of the movement towards ethical and fair trade.

- Ethical trade is both a response to globalization while also being linked to the changing commercial and social environment associated with globalization (Barrientos, 2007). Consumption patterns have changed in the era of globalization and this is fuelled by global sourcing of products – in the case of fruit, for example, a consumer in the UK is able to have fresh grapes throughout the year – this is only possible due to global sourcing of products and efficient and effective supply chain management (Du Toit, 1999).
- The rise of a countervailing force of “anti-neoliberal economics” and an “anti-neoliberal international movement” is a significant development in strengthening the fair and ethical trade agenda. Some believe in working with corporations to ensure improvement of labour conditions at source, whilst others believe that more fundamental change is required in a system where a few conglomerates exert power over small producers. This broad movement has shown its strength during the annual world social forums, the annual meetings of the G8 countries as well as during WTO meetings that have been held over the last five years. The movement has been vocal about its opposition to “rule by corporations”. In addition, campaigns such as that against child labour in the carpet and footwear industry, the environmental movement and the campaign against genetically modified foods have all played a role in exerting pressures on retailers and corporations regarding ethical and fair trade. NGOs have been the catalysts that have given rise to the ethical trade movements.
- Consumers in industrialized countries have exerted considerable influence in ensuring ethical practices. Increasingly, a very vocal group of consumers with disposable income and access to media and technology were putting pressure on supermarkets and used their buying power to refuse to buy unsafe, genetically modified foodstuffs or goods that have been sourced from countries and industries that use child or forced labour. This practice of withholding buying power to register opposition was utilized very effectively during the apartheid era by the anti-apartheid movement in Europe and the US and resulted in large numbers of consumers refusing to buy South African fruits during the sanctions campaign which contributed to the isolation of the apartheid economy. Some analysts refer to these practices as “consumer politics”. In recent times, the politics of consumerism has been built on concerns about health and safety standards, environmental, health and human rights and social concerns.

3.2.2 The Code of Good Practice

The WIETA Code of Good Practice is based on the Base Code of the Ethical Trade Initiative and contains the following main tenets:

- Prohibits the use of Child Labour
- Forced labour is prohibited
- A Healthy & Safe Working Environment
- Right to freedom of Association in respect of employees rights to join trade unions of their choice.
- Right to a Living Wage

- Working Hours shall not be excessive
- Harsh or Inhumane Treatment is prohibited
- Workers housing & tenure security rights will be respected.

3.2.3 The WIETA Audit

WIETA receives a subsidy from the wine industry that allows auditing in the sector. Members pay an annual membership fee. When non-members are audited, they have to pay for the audit which cost between R 8,000 and R 12,000.

“The Social Auditing process has exploded due to pressure from NGOs such as ActionAid and Women on Farms Project” (WIETA auditor). In the first three years of the existence of WIETA, only a third of the number of audits that are currently being completed, was done. A number of other retailers such as Woolworths have their own audit processes. Marks & Spencer’s have joined the WIETA process and have asked all their suppliers to join WIETA. Marks & Spencer’s require progress reports on any “problem” areas identified during an audit.

To prepare producers for the audit process, a training session is embarked upon. The actual audit starts off with an opening meeting where the methodology and process is explained to the producers, management and workers representatives. The audit involves interviews with management, Human Resources, Health and Safety, and worker representatives. In addition, payslips, leave records, and policies are perused.

Interviews and focus group discussions are held with workers, both permanent and temporary. At the end of the information-gathering phase, a feedback meeting takes place where employers, management and workers representatives are given feedback. A report is drafted which includes an improvement plan. WIETA monitors the implementation of the improvement plan. In the case of TESCO, the information is loaded on SEDEX.

3.2.4 The WIETA Pilot Study: (1999 – 2000)

Fifty-seven companies were audited during the pilot phase - 75% of those audited were wine producers, or both spirits and wine producers, 20 % produced grapes for wine. The rest were companies that delivered services to the wine industry such as supplying corks, one was a plant nursery and another was a labour broker.

- **Gender Equity in Agricultural Employment**

Table 3.1: Distribution of men and women across workplaces (WIETA BENCHMARK REPORT, 2002: 16)

Gender	Bottling plant	Vineyard & Cellar	Vineyard Only	Other Inputs	Cellar & Bottling plants	Cellar Only
Men as % of total workforce	46.74%	58.07 %	57.78%	60.85%	63.06%	91.94%
Women as % of workforce	53.26%	41.83 %	42.22 %	39.15%	36.94%	8.06%
Totals	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

It was only in the bottling plant where more women were employed than men. As one moves up the supply chain, women as a percentage of the labour force decreases, with the lowest numbers in cellars.

Table 3.2: Comparison between employment status of men and women (WIETA BENCHMARK REPORT; 2002; 16)

Employment Status	Men	Women	Total
Permanent	1260	671	1931
Temporary	698	809	1207
Total	1958	1180	3138

The intersection between race and gender renders African women as the group with the lowest presence of all previously disadvantaged groups. Coloured men constitute 45.6% of the labour force and African men constitute the third most numerous group.

“Very little has changed since the pilot study in respect of Employment Equity and Non Discrimination in respect of gender. Very few women get appointed to senior positions. There have been some changes, for example, we came across a woman managing a farm. The process, however, has been very slow and changes such as these are few and far between” (WIETA auditor).

“It is very much bound up with traditions and reinforced by management practices. They don’t, for example, do certificate training for women. They don’t go out of their way to encourage women to apply for jobs traditionally occupied by men. Women have no access to permanent jobs if they become available. Theoretically, women should have access to housing in their own name as they have employment contracts in their own names. However, the problem of women’s independent access to housing is further compounded by the seasonal nature of the employment relationship in which situation, employers argue that they cannot be expected to provide accommodation for seasonal workers except in compounds”.

- **Use of Temporary Employment Services**

In the pilot study, it was found that labour brokers had been used to supply labour to 31 of the 57 audited sites. A total of 638 temporary workers were encountered. At the remaining 26 sites, there were a total of 569 temporary workers although no labour broker's service had been utilized. It has been difficult to bring labour brokers into the audit process, as they do not have the infrastructure to implement the process. Producers are beginning to take responsibility by drawing up the payslips for the brokers.

The labour courts in South Africa have never used the clause in labour legislation that holds the employer as well as the labour broker mutually and severally liable. "We have seen big changes – employers now enter into contracts with labour brokers" (WIETA auditor).

- **Health & Safety Issues & Other Areas of Non-Compliance**

During the pilot study, health and safety proved to be the area of least compliance, with the following areas requiring further attention:

- Management of workplace injuries
- Chemical Safety & health risk management
- Fire Safety Management
- Occupational Health & safety imminent risk of serious injury
- General Workplace Health & Safety
- Right to a written contract of employment
- Freedom from unfair discrimination

- **Areas of Moderate Compliance**

The areas include freedom from harsh and cruel treatment at work; Employers informing suppliers of WIETA (highest score: 2); Wage Deductions; Special leave in line with labour laws and code. Areas of most frequent compliance were child labour, forced labour, unemployment fund registration and payment; record keeping for working hours.

3.2.5 Perceptions of Key WIETA Employees & Auditors

Accreditation: "WIETA has developed somewhat differently to what had been conceived initially. Voluntary involvement was what the original vision was. To become accredited producers were meant to deal directly with the accreditation committee and only when the committee had been satisfied that enough had been done to ensure that there were advances, would a site be accredited. Things have changed since TESCO launched the SEDEX process. In this process, retailers have direct electronic access to information regarding audits. Since the launch of SEDEX, WIETA has become far less influential. With SEDEX information, retailers themselves decide. It does not have the transparency of a multi-stakeholder committee."

"In WIETA we wanted accreditation, now it is a different kettle of fish. TESCO is no longer interested in accreditation in fruit; in wine it is slightly different" (WIETA auditor).

Compliance: “There have been many exciting changes in the industry. The fruit industry is more compliant as they have been exporting for many years. There is not much pressure on wine producers to change. They produce their own brand product that makes them not that concerned about ethical production” (WIETA auditor).

“There is good compliance with the Minimum Wage legislation. In one or two cases, we picked up lack of compliance, but in general we have picked up good compliance” (WIETA auditor).

“The grey areas are employment equity and health and safety. Plans and targets are not as good” (WIETA auditor).

“There have been a number of positive changes in the industry. I would say that there is relatively good compliance where there is awareness of the requirements” (WIETA auditor).

Auditing Labour Brokers: Compliance in respect of Temporary and Seasonal Workers is very uneven. It is very difficult to bring Labour Brokers into the audit process as they do not have the necessary infrastructure. Only one labour broker has been audited and has not been accredited as yet. In general, they are small operators; the bigger corporations make use of national labour broking firms. Different models of labour brokerage exists – there is, for example, a group of farmers who would club together and share a pool of seasonal workers or the most common form is of a broker who lives in an informal settlement who speaks the local language and who has a cell phone and transport. In many instances, the producers are taking responsibility to draft the payslips—changes are happening. “We have come across farmers who may assist the labour broker to register. One farmer could end up using three labour brokers” (WIETA staff).

Labour legislation clearly states that employers that utilize the services of employment agencies or labour brokers would be held mutually and severally liable for any transgressions of labour legislation. To date the courts have not prosecuted anyone in respect of the mutually and severally liable provisions of the labour legislation.

Implementation of Extension of Security of Tenure Act: “We were more looking at the conditions of employees rather than at residents. Audits did not focus a great deal on the status quo in respect of farm evictions. The audit process may change in the future to include this” (WIETA auditor).

Freedom of Association: “We have found that often workers find trade unions unreliable in responding to their problems. Hostile farmers do victimize workers who belong to trade unions. The question of the representation of the trade unions is also a major problem” (WIETA auditor).

Independence of the WIETA Audit Process: According to WIETA, the auditors do not have much involvement with stakeholders who may want to influence the process. Auditors are chosen for their understanding of legislation; they are independent consultants who have to demonstrate their independence.

“We are still very independent but there is a real danger that independence could be compromised. To us the audit is a means to an end and not an end – there is a danger in seeing the audit as an end – standards could drop”.

“Funding is another issue that could compromise the independence of the audit “(Senior WIETA staff member).

Managing WIETA’s diverse membership: “The diverse membership is a difficult animal to manage – there are very different stakeholders who hold very different views; we have had a few disputes. It is however, far better having the disputes than not having input from the sector. Conflict is inherent in a situation such as this. The consensus-seeking decision-making model has prevented us from advancing certain stakeholders above others. Conflict has not been unhealthy – all have acted in the best interests of the organization” (Senior Auditor).

“There has been agreement concerning the basics but disagreements on raising the bar, with the trade unions and NGOs promoting a living wage whilst producers would like to stick to the minimum wage” (Senior Staff WIETA).

“Naming and Shaming is another area of unhappiness as the current approach is that information obtained is anonymous”.

During the various training sessions that WIETA conducted with farm management and representatives of farm workers from the same farms, there were many instances when there was disagreement between workers and management regarding the extent of compliance. It also became clear to the trainers that management’s interest in the matter stemmed from “self interest”.

The Supplier Ethical Data Exchange (SEDEX): SEDEX is a membership organization committed to continuous improvement of ethical performance through the use of a web-based system. Members of SEDEX participate in its governance and in working groups. Through the web-based system, businesses are connected to global suppliers to share ethical data and are able to continuously improve ethical performance. SEDEX was constituted in 2005/6 and held its first AGM in May 2007. In October 2007, its database became available in five different languages. SEDEX is the largest global database on labour standards.

WIETA is a member of the Associate Auditors group along with groups such as Africa Now, Bureau Veritas and other auditing firms.

TESCO, as one of the largest retail chains in the UK, has been instrumental in establishing SEDEX and ensured that 96% of TESCO suppliers are registered on SEDEX. SEDEX aims to prevent duplicating of assessments and provides retailers with direct information. TESCO works through WIETA to train what they term “high risk” suppliers.

3.2.6 Analysis

The central question is whether Ethical Trade Initiatives and Codes are forces of improvement in respect of working conditions of agricultural labour or, as some would suggest, merely a corporate whitewash? Are conditions of trade for growers such that they are unable to afford to pay a living wage called for by the trade unions instead of the minimalist minimum wage stipulated by the law? Should a Base Code aim for mere compliance with basic standards, or should it encourage more meaningful processes of longer-term development?

It is clear from interviews with WIETA staff that whilst ethical trading codes do play a role in preventing a downward spiralling of labour standards, they act like a barrier beyond which labour standards do not rise easily. In South Africa, currently the very low minimum wage is regarded as the standard and lifting the bar is creating conflict between the trade unions and the employers within WIETA. Yet the minimum wage falls short of what is regarded as a living wage and the amount put forward by trade unions.

Clearly codes are limited in their scope and are no substitute for other forms of regulation by government. The WIETA auditors do not for example audit compliance with the Extension of Security of Tenure Legislation "as the base code does not cover living arrangements –only working conditions". Generic codes have been developed in northern countries and are applied across the south with very little participation in the formulation of the codes.

Other problems include the fact that codes depend on voluntary participation. There is no naming and shaming or label that distinguishes ethical companies from those who do not comply with the Base Code. WIETA currently uses a confidential approach, another source of tension between NGOs and employers who constitute WIETA.

3.3 Perceptions of Growers, Producers and Exporters

Most producers, growers and exporters were only prepared to speak to us if there was complete anonymity as they feared damaging business relationships if they were identified as participating in research that will strengthen the arguments of NGOs or Trade Unions. Others refused to participate in research that will strengthen these arguments.

3.3.1 Key Factors Affecting Employment Practices

Carl Opperman, the President of the AGRI-Western Cape, was interviewed by the research team and stated that the strong Rand in the export market is a problem, so are high interest rates, low productivity, dropping profit margins and land taxes, and rising pesticide prices and costs of packing materials.

"Maize prices rose to unprecedented heights during the January to May period while, at the same time, the country was experiencing one of its worst droughts in a decade. In the face of all this, gross farm income from all agricultural products for 2006 rose by 11,6 % compared with income for the same time in 2005. This included income from field crops, which rose by 8,5 %, horticultural

income, which rose by 5,5 %, and income from animal products, which rose by 16,7 %. This was mainly due to farmers receiving higher prices for their products in especially the field crop markets, where the commodity price” (From interview with Laurie Bosman, conducted February 2005).

3.3.2 Production Costs

“We experienced much higher production costs in the past 12 months. However, during the last twelve months due to cheaper transport costs we were able to compete favourably with New Zealand. In terms of apple production, Golden delicious apples had a better taste” (A senior Manager in an exporting company).

“Human resource costs constitute 50% of production costs. All of us are facing pressures of reducing margins. “We have to manage the businesses to deal with global competitiveness. We need a greater emphasis on productivity training, capacity building and managing absenteeism” (Manager Export Company).

Bosman says that over the past six years, the sector saw an increase of 10% to 12% in wages each year. This has led to a decrease in farm labour. He says that various factors contribute to the decline, one of which is the steep rise in wage costs. The fragmented nature of the value chain in the wine industry makes it vulnerable to surplus situations in the market, according to the results of a performance audit by Price Waterhouse Cooper, an audit company.

3.3.3 Labour Costs / Minimum Wages

According to a representative from AGRI – Western Cape, labour costs could, depending on turn over, constitute 25-30% of costs. In the case of table grapes, it amounts to 44% of costs. According to AGRI-Western Cape, they were very concerned when the government decided on two different amounts for the minimum wage depending on the geographic area (the differentiation between Area A and Area B falls away in 2008). Currently they are very concerned about the productivity levels of workers who do not give value equivalent to the minimum wage. A manager from an export company that owns two farms agreed with this sentiment: “An increase in minimum wages of farm workers will lead to retrenchments in the sector”.

Lourie Bosman, national president of AGRI South Africa (interviewed on 15 February 2005), explained that government had invited those farmers who could not afford to pay the minimum wage to apply for exemption, provided they submit their financial statements. He regarded this as a problem as farmers generally ran “one man shows” and do not have the administrative capabilities to produce these.

“But if there is no relief at wage level, there is one way to keep wage costs at affordable levels and that is to rationalize the labour force - something that could compromise many job opportunities”. Mr. Bosman warned farmers who wanted to retrench to do it the legal way.

3.3.4 Are They Receiving A Fair Price For Their Goods?

"We need better ways of managing the supply chain to improve efficiency and to allow us to improve profitability" said one person who was interviewed.

One producer explained that there are advantages and disadvantages to producing for both the domestic and the export market. "The domestic market has lower packing costs, easy to visit markets if there is a problem and you don't wait long for your money. The disadvantage is you receive lower prices, markets get easily overstocked with fruit resulting in poor prices".

"The advantage of the export market" explains the same farmer who produces 15% for the domestic market and the rest for the export market, of which 90% is utilized in the canned fruit industry, "is that you get good prices especially with the exchange rate. The disadvantage is long travel time to the markets - it may take as long as 4 weeks and therefore quality has to be impeccable". He has not experienced any real difference from 2003. He thinks the price is fair. It is only the exchange rates that that make it very difficult to plan ahead.

3.3.5 Ethical Codes and Purchasing Practices

"We are subject to and compliant with Global Gap, Natures Choice, and all 50 of the growers that supply us have been audited by WIETA (Distributor).

"Global Gap replaced EUREPGAP and is a more strict standard".

"Codes are good business management tools".

"We have no problem with the codes of conduct. TESCO was here and we had long meetings to discuss these" (Mr Carl Opperman, AGRI-Western Cape).

"Setting up the infrastructure to manage codes is a big job, but once it is running is quite achievable.

"The new SEDEX system that TESCO and others have introduced is one where audit reports are loaded into the system and information is made directly accessible to supermarkets" (Manager in Export Company).

The following extract from a Minute of a meeting held on 19 April 2005 between Women on Farms Project, Sikhula Sonke and Cape Span throws light on the fear that exporters have of Tesco withdrawing from South Africa if faced with too much bad publicity.

Cape Span did not agree that Tesco was using their monopoly position to strong-arm suppliers. Instead, they argued that Tesco is the only supermarket in the world with accreditation. Tesco purchased the biggest proportion of South African fruit and that for the last three years, has been the top paying purchaser. As such, Cape Span believes that Tesco is in fact keeping the SA fruit industry alive (and therefore supporting the livelihoods of farm workers).

In response to the media coverage on this report, Cape Span reported that they had received more than 20 phone calls from Tesco. As it happened, the Tesco buyer was in South Africa when the story broke (it received media coverage in the Sunday Times and Mail & Guardian in South Africa) and that they were particularly sensitive to reported farm worker exposure to

pesticides.

Cape Span provides reports to Natures Choice and this ActionAid report creates the impression that these reports are false and as a result of the ActionAid report, Cape Span fears that it now faces the possibility of losing accreditation for non-compliance.

They were unhappy because the ActionAid report focused on Tesco and did not place responsibility for the violations with the farmers (where they think it should be located). This raised the fear from them of Tesco withdrawing from SA: Why should Tesco deal with problematic suppliers and bad press when they can source fruit somewhere else?

3.3.6 What About Tenure Security for Workers Living on Farms for Many Decades?

Carl Opperman of Agri-Western Cape had this to say when we asked him about this. “We warned Derek Hanekom, the previous minister of Land Affairs, that this would create one helluva mess. Why does the legislation only apply to the agricultural sector, what about other land owning sectors? Why should you provide a house for someone who lives on your land?”

Earlier this year, the minister reiterated that the government’s goal of ensuring that 30% of agricultural land is owned by black farmers before 2014. According to the minister, the ownership of agricultural land should be representative of the country’s population composition.

Bosman says, however, that this policy could endanger food security in the country, which could, in turn, lead to more costs for the government, as food will have to be imported. He says that government should balance its social responsibility with a sound commercial sector and that elevating the land-transformation goal is not the answer’.

The interview with the national president of the agricultural employers’ organization illustrates the agricultural sector’s unhappiness with the land reform legislation that provides land rights to employees who have lived on farms for longer than 10 years.

Wegerif *et al*/in their study show that the percentage of people evicted from farms had more than doubled during 2003, higher than any period during the previous three years. They observe that this coincides with the minimum wage for farm workers and the regulation of other basic conditions of employment contained in the Sectoral Determination legislation. Many of the evictions were for employment-related reasons and more people were retrenched or dismissed than in the previous three years. 28% of those evicted are women and in the past 21 years, 75% of all those evicted have been women (Wegerif, Russell, Groundling, 2005).

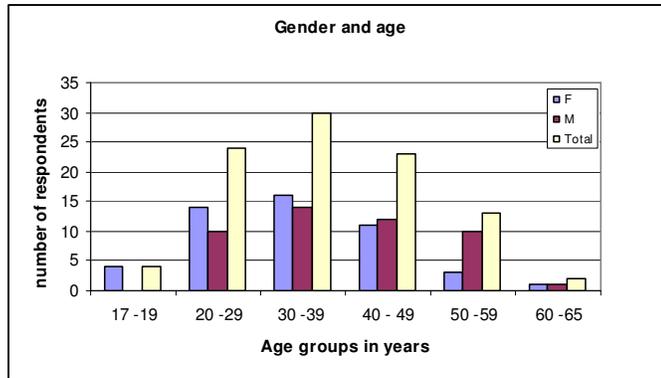
In essence, primary producers are complaining about high labour and production costs linked to interest rate increases. They blame the South African government for their current position for they have moved from a situation of extreme protection, support and promotion to one of rapid deregulation. They have come to accept certain aspects of labour legislation and with others. The aspect of legislative reform that they are most unhappy about is the land tenure reform as this

means providing long-term security of tenure to employees that have worked for them for 10 years and longer.

3.4 Findings on Farm Worker Conditions

There were 99 questionnaires completed, with varying completion rates across questions in the questionnaire. Females made up 53% of the respondents, while 47% were males, with ages ranging from 17-65 years (average age was 36 years). The questionnaires were administered in November/December 2007 and the respondents were from Stellenbosch, Grabouw and Franschhoek.

Gender, Age and Length of employment



Graph 3.1: Comparison between gender and age of respondents

The women were much younger (70% were under 39 years of age), while men predominated in the over-30 age group. There is also a gender difference, as reflected in graph 2 below, in length of employment with more women having mainly short lengths of employment (46% women vs. 26% for men); 74% of male respondents show periods of employment that are 5 years and longer, compared to 54% of females.



Graph 3.2: Gender and length of employment of respondents

Gender and work status

Table 3.2: Number and percentage showing gender and work status of respondents

Gender	Casual	Seasonal	Permanent	Total
Female	3 (6%)	31 (61%)	17 (33%)	51
Male	12 (26%)	9 (20%)	25 (54%)	46
Blank	0	0	2	2
Totals	15 (15%)	40 (40%)	44 (44%)	99

- This table shows females as predominantly (61%) seasonal workers and males predominantly (54%) as permanent workers.
- The high percentage of permanent workers is partly due to the time of the study, i.e. outside of harvest time where large numbers of seasonal workers are contracted in.
- The higher percentage of men performing casual work (26% vs. 6% for women) is a direct reflection of the respondent group, but also underlines Greenberg's finding: "Restructuring of the agricultural sector has contributed further to placing women workers in a more difficult situation. Men are increasingly in direct competition with women, even for marginal jobs such as seasonal and temporary farm work that men formerly would not consider" (Greenberg, 2003).

This result also confirms previous studies:

- "In the farming sector, the majority of casual and seasonal workers are female, while males are mostly permanent" (CRLS: preliminary findings on Sectoral Determination Study).
- WIETA 2004 audits: "The 40 audits showed that the most common category was male permanent (39.8% of the workforce), while the least common was female permanent (16.6%)". Noting "the overall dominance of permanent workers (57%) was probably due to the fact that all these audits were conducted outside of the harvest (grape picking) season."
- Sikhula Sonke's membership in August 2007 showed that out of a membership of 3,831, 56% were female, while 74% of the members were permanently employed. These figures probably reflect recruitment practices of the union, rather than a different pattern to that noted above. Closer scrutiny may still show that males still dominate the permanent category of workers, but this was not possible with data available.

Gender and Contract Employment

Almost 17% of the respondents did not answer this question, which makes interpretation problematic. Only three indicated that their contracts were with labour brokers and two did not know if they had signed a contract. Most of the respondents (65%) had signed a contract, while 12 out of the 18 respondents with no contract, were female.

Table 3.3: Gender and contractual employment

	No Contract	Contract	Blank	To
F	12	31	8	51
M	6	34	6	46
Blank	0	0	2	2
Grand Total	18	65	16	99

Gender and Trade Union Activity



Graph 3.3: Gender and Trade Union membership

Table 3.4: Awareness of Active Trade Union at the Workplace

Gender	No	Yes	Total
F	6	45	51
M	16	30	46
Blank		2	2
Total	22	77	99

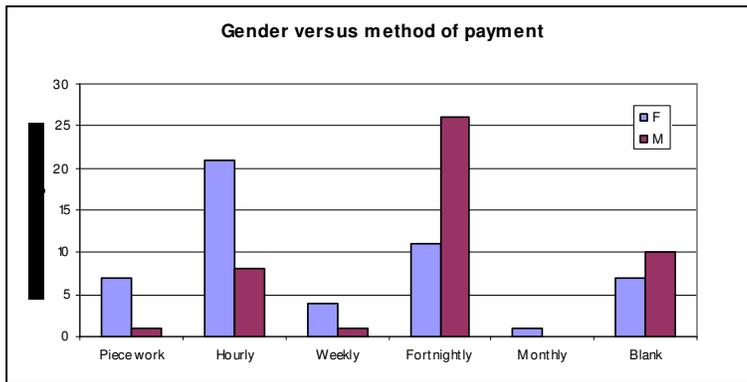
Most of the respondents (51%) belonged to a trade union; more women than men were unionized (70% females vs. 34% males) and indicated more awareness of trade union activity at their workplace. Most of the respondents commented positively that trade unions protected people, represented them and their interests and made them aware of their rights. Of those who did not belong to a union, they gave “lack of information”, “not enough time for a union”, “see no reason as things are fine at work”, “wife does not want me to” as some of the reasons for not belonging.

Gender and Frequency of Payment

Almost 20% of the respondents did not answer this question, making interpretation difficult. However, 63% of female respondents reported that they were either paid for piecework, or hourly or weekly, while 57% of male respondents were paid fortnightly.

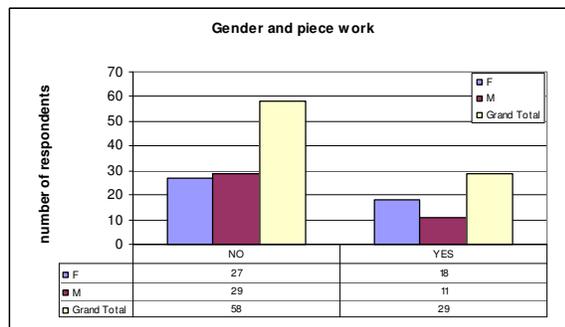
Table 3.5: Gender and frequency of payment

Gender	Piece work	Hourly	Weekly	Fortnightly	Monthly	Blank	Grand Total
F	7	21	4	11	1	7	51
M	1	8	1	26	0	10	46
(blank)		1		1			2
Total	8	30	5	38	1	17	99



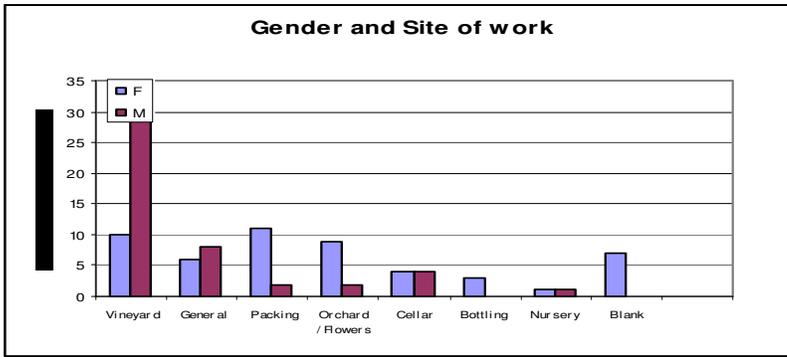
Graph 3.4: Gender and frequency of payment

The most common frequency of payment is fortnightly; the majority indicated that they do not do piecework. However, some respondents do both “normal” and piecework and are paid accordingly. Generally, more women than men do piecework.



Graph 3.5: Gender and piecework

Gender and place of work

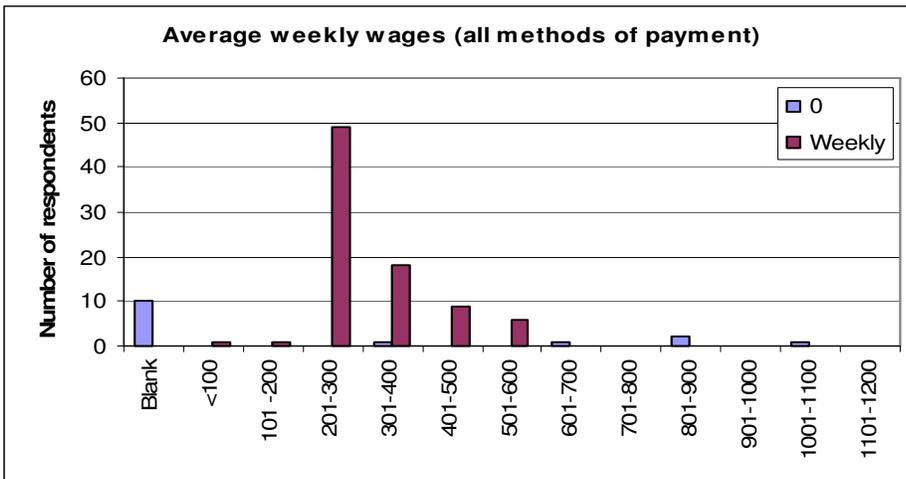


Graph 3.6: Gender and site of work

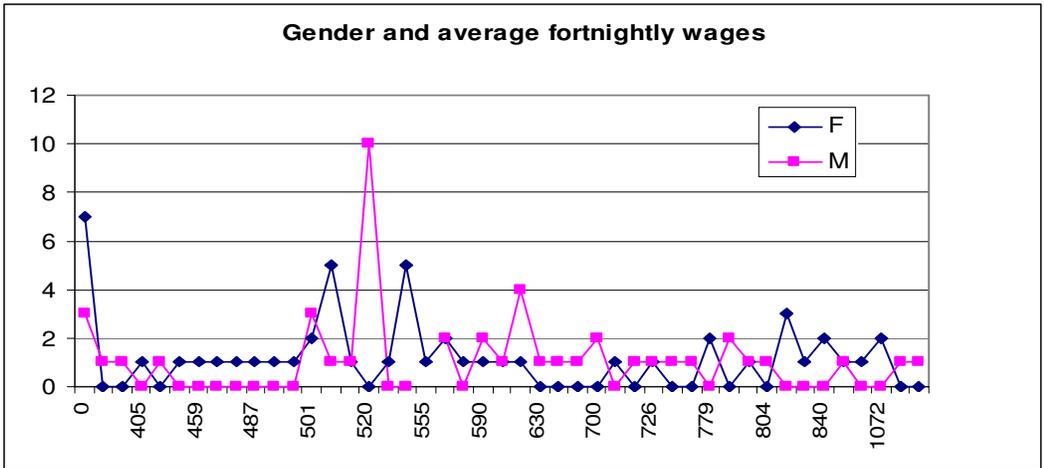
Table 3.6: Gender and site of work

	Vineyard	General	Packing	Orchard /Flowers	Cellar	Bottling	Nursery	Blank	Total
F	10	6	11	9	4	3	1	7	51
M	29	8	2	2	4	0	1	0	46
(blank)	1	0	0	0	0	0	0	0	1
Total	40	14	13	11	8	3	2	7	98

Wages and Salaries

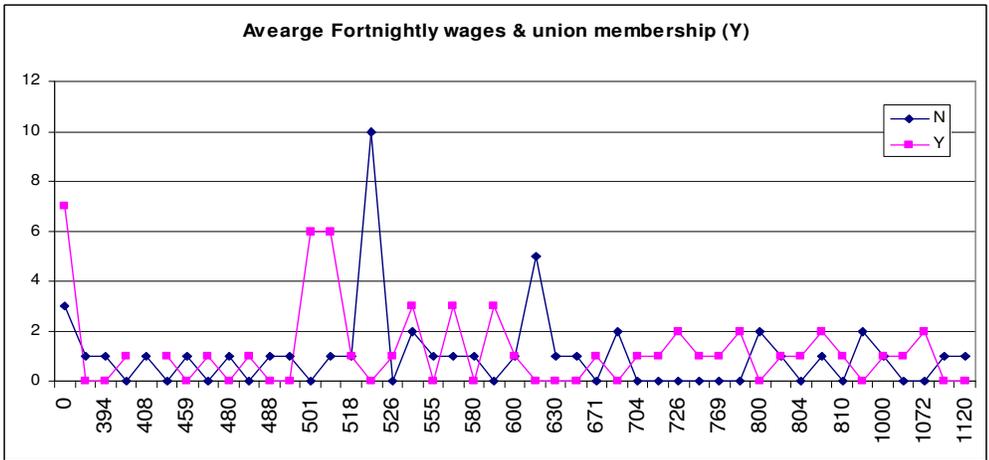


Graph 3.7: Weekly wage rates

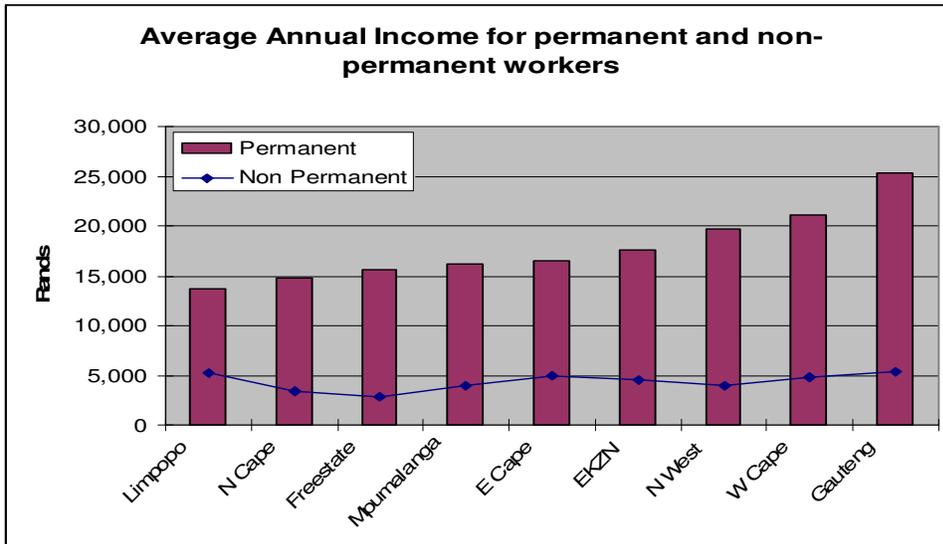


Graph 3.8: Gender and average fortnightly wages (calculated as fortnightly amount for all methods of payment & work)

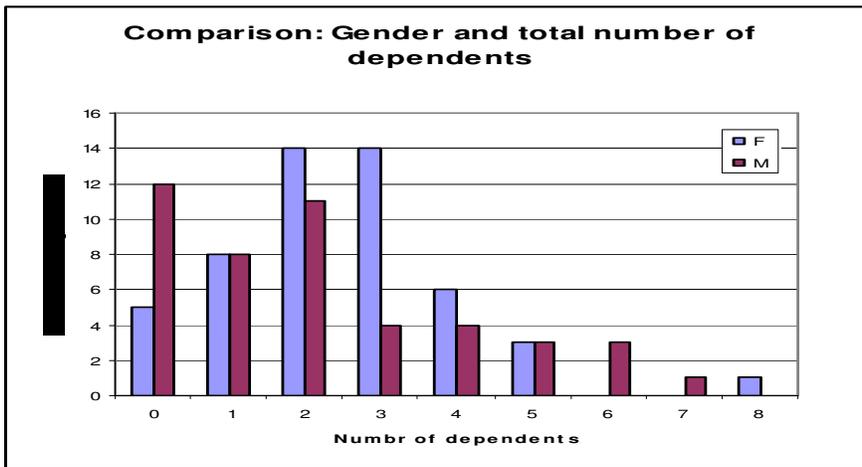
Mindful that the sample was small and calculations may obscure variations, the average fortnightly wage was R 563 per worker (as an average calculated for all methods of payment and types of working arrangements, hourly work calculated as 40 hours per week), with no significant gender difference. Equally, trade union membership conferred no additional advantage to wage levels.



Graph 3.9: Comparison between union membership and average fortnightly wages (calculated as fortnightly amount for all methods of payment & work)



Graph 3.10: Average annual income for permanent and non-permanent workers across the provinces (Stats SA Survey of large scale Agriculture 2005/6)



Graph 3.11: Gender and number of total dependents

Most respondents had between 0 and 3 dependents (average 1.8), with more men reporting no dependents. The average household income was R 563 per fortnight or R 56 per day (10 working days) and average available spending money was R40 per day (14 days), making it R13 per person per day (calculated as R40 per day for worker plus 2 dependents).

Health and Safety

Table 3.7: Relationship between OH&S committees and Toilets

	0 Toilets	Toilets	Total	
Blank	12	2	5	19
No committee	0	18	37	55
Committee	0	1	24	25
Grand Total	12	21	66	99

Sixty-nine per cent reported that they had no Occupational Health and Safety Committees at their workplace. Ninety-six per cent of those who reported the presence of OH&S committees also reported toilets in the orchards.

During 1999-2003, the Women on Farms Project campaigned for toilets in the vineyards, as it was dangerous for women to use the bushes or to walk great distances to find toilets. It now appears that many producers have placed mobile toilets in the vineyards, although many are not cleaned regularly.

Table 3.8: Toilet facilities

Number of respondents	Comments
6	Pit Toilets
13	Dirty, nobody cleaning it, snakes
3	Rarely used
5	Used bushes
3	Good condition
5	Far away
8	Mobiles
1	Broken pipes
1	Only those living on the farm, have a key to it

Voices from the Vineyards: Role of Health & Safety Committees

Many workers have only a limited understanding of the health and safety committee's role and saw it simply as providing the first aid box. Some comments:

- Must see to health and safety risks on farms.
- I know that they are there to highlight health and safety matters.
- To inform people about how to protect themselves against health risks.
- To help me get to a doctor when I am sick.
- We have a health committee that is there to make sure that sick people get attention.
- Protect the sick from dying.

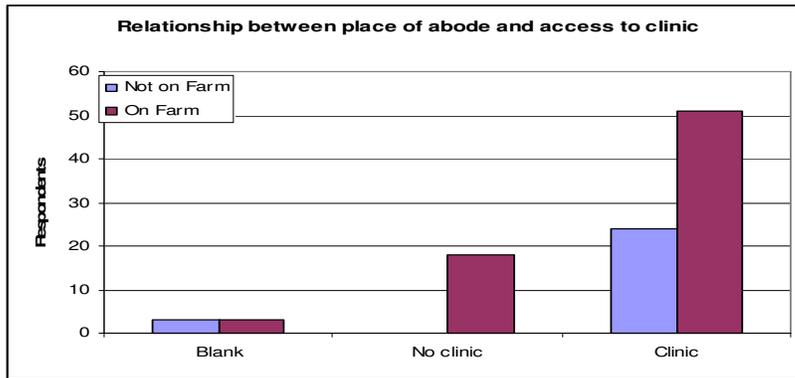
- One person does the first aid to help the injured people/workers.
- People are responsible for the first aid kit and health issues.
- One person is responsible for people injured at work or anyone who is sick.
- One representative takes care of all health issues.
- They hand out the first aid kit and help people heal.
- To call the doctors and the ambulance
- See to safety.
- To see to the safety of the workers.
- Helps people who have been injured and looks after the safety of people.

Voices from the Vineyards: Most common Health and Safety Issues

- Pesticides.
- No safety boots when working in the ice in the cellars.
- In the vineyards the poisonous gases are hectic but fortunately we have gloves and masks.
- We have no masks, gloves or safety boots.
- It is dusty and wet when it rains.
- No health & safety problems.
- Ladders. Bed conditions (apply to migrant workers who are complaining about the condition of the beds that they sleep on throughout the season every ear
- Pesticides. Ladders. Beds.
- Ladders. Toilets. Beds.
- Cold. Dirty drinking water
- Weather that is cold. Chemicals sprayed on plants.
- Unhygienic river water.
- Long hours in the cold. Unprotected clothing for working. Back problems because they constantly have to bend to do their work
- Cold and diarrhoea. Backaches for the elderly workers.
- Prolonged illnesses (bronchial). People's access to medical care and treatment.
- No safety boots & gloves.
- Very dirty drinking water.
- Long hours without a break.
- Workers do not have medical examinations or tests when they start work.
- Breathing in poisonous gases.
- Poisonous gases in the air.
- Poisonous gases are spread near the homes.
- Poisonous gases - vineyards are near the homes.
- Tractor accidents.
- Infection, TB.
- Unsafe tractors, fell off the tractor.
- Pesticides in the vineyards, toilets and drains.
- Wet floors/cold storage.

The most frequently mentioned health and safety issue was pesticides inhalation and the lack of adequate controls in this regard. Some mentioned the lack of masks; in other cases it was inadequate education by health representatives.

Another health issue mentioned by seasonal workers is the discomfort they suffer as a result of sleeping on broken/worn out beds in hostel accommodation where they live for six months of every year. This matter is closely linked to the question of adequate accommodation for contract workers who have been servicing the same employer for many years.



Graph 3.12: Comparison between place of abode and access to clinics.

Training

Of the 76 respondents who answered this question, 30 said yes to training and only 21 commented on the content of the training.

Table 3.9: Comments on training

Number of respondents	Comments
7	Fire prevention & Management
6	Food management
5	Human Resources
3	Maintenance, Tractors, Trees
Most	Most found it interesting & informative
Most	1 day courses mainly
6	Attended in 2007, most between 2001 & 2005

Workers have received training, mainly linked to fighting fires, a hazard that many farmers experience during summer.

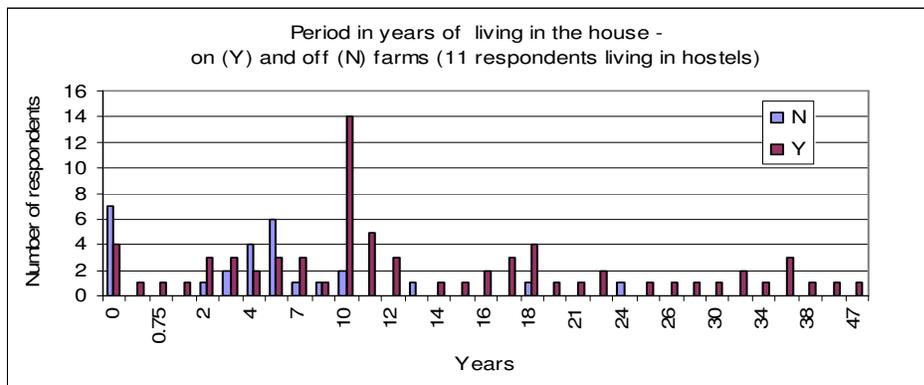
Living conditions – Housing

Most of the respondents (77 out 99) lived on farms; of them 11 lived in hostels. More male than female respondents reported that they were living on the farms.

Table 3.10: Gender and place of abode

	No	Yes	Total	% Living on farm
Blank	0	2	2	
F	20	31	51	61%
M	7	39	46	85%
Total	27	72	99	

There was no relationship between trade union membership and place of abode, but those doing piecework were less likely to be living on a farm. The graph below shows that those living on farms had been living there for longer periods than those respondents who had other living arrangements.



Graph 3.13: Comparison between length of years living and whether on or off farms (11 respondents lived in hostels on farms)

Voices from the Vineyards: Quotations from interviews on Evictions

- Nothing seems to be happening to stop the evictions. They make way for tourist accommodation and Bed & Breakfasts.
- A farm worker deserved the eviction because they got drunk during working hours, now the whole family of 4 is out.
- It's not something we like to talk about, especially at work. You never know who is next. Playing silent seems to be the way out.
- After dismissal from work, a colleague was evicted from his home.
- When people are found to be doing things that jeopardise their work on the farm, they are evicted.

3.5 Findings on Farm Worker Conditions (based on Focus Group Discussions)

Above trends were confirmed through the focus group discussions held in Stellenbosch, Grabouw and Franschhoek.

Length of employment and gender: On a farm in Franschhoek where a focus group was held, the 10 permanent workers are all male. Women work only in the bottling plant as casuals who may be taken on for a day or two or to complete a particular order. They fall under labour contractors. During 2004, many workers were retrenched. During another focus group discussion held in Stellenbosch, the males in the group have had the longest service varying between 22, 15, 13 and 10 years. One woman had worked on the farm for 10 years and another for years. Women were the majority of seasonal workers and they explained that the season could be between 3-9 months.

Minimum wage and other conditions: On one farm where a focus group was held, the minimum wage paid was R1,010 per month which, after deductions such as payment for TV, Unemployment Insurance Benefits, and gas and doctor's bills, left them with R460-R390 per month in disposable income. In another focus group, the people were paid between R590.00 and R676 per fortnight.

"The farm management is deducting the union subscription but refuses to pay it over. The farmer refuses to open the gate for the church people and works poorly with the workers. He refuses to electrify the outside areas near people's homes. He refuses to grant transport when it is required in cases of emergency". This farm worker had been sick and had had an operation in April 2007. He is awaiting an assessment from doctors for a disability grant. He has been working for this particular employer for 11 years.

Workers on one farm complained that they never get paid on time – it is always five to ten 10 days after the end of the month. They also claimed that the farmer swears at workers. They still do not have water in their homes. Even when workers bring medical certificates, he refuses to pay (Focus group with shop stewards).

"The pay envelope states that workers get paid more than the minimum wage, but that in reality they earn less", reported a shop steward from another farm. Sikhula Sonke, the trade union is to take the matter up. On this farm, they also do not get paid for overtime.

Security of Tenure: "The farmer wanted people to sign a form giving people's older children a period of twelve months to live with their parents on the farm". They were advised by Sikhula Sonke not to sign the forms, because what will happen after the twelve months. The farmer victimized one worker who did not sign the form. Another worker has been on the farm for 33 years but only became a permanent worker 7 years ago.

Has there been improvement in their lives? Workers gave mixed responses reflecting differences in conditions on farms. For example, on one farm where there is a new farm manager, the workers said many things have changed and, above all, they feel recognized as human beings. The new manager has been around for three years, has family days, organizes barbecues and sits down to a

meal with them. He respects their knowledge acquired over a long period. They get invited to restaurants, like the Spur.

On another farm in the Stellenbosch area, workers said their employer has become worse because he suggests that it is not right to belong to a union.

3.6 Analysis

Women made up 61% of the seasonal workers while 54% of males interviewed were permanent workers. It is important to note that the research took place outside of the harvesting season and that may explain the relatively high proportion of permanent workers.

The temporality and precariousness of women's employment has been established. During a focus group discussion, the women explained that they are employed as seasonal workers, which could be for a period of 8-10 months of the year; however, they receive new contracts every three months which creates insecurity for them.

Casual, temporary and seasonal employment for women in agriculture should be seen against the background of devastating poverty and unemployment in the country and specifically in rural areas. In this situation, agricultural employment becomes one of the few options open to landless, unemployed people. Competition for casual, seasonal and temporary jobs from unemployed men is one of the emerging trends. A phenomenon that has a bearing on employment in agriculture is that of the migration of people from rural villages in the Eastern Cape to the Western Cape in search of jobs. They have been settling in the small towns of Worcester, Ceres, Grabouw, etc. where casual, temporary employment on fruit farms or bottling plants becomes a key survival strategy. With such a large pool of unemployed workers and the flexible labour market, employers attempt to keep labour costs down.

The majority of women in the study are paid either weekly, hourly or for piecework. During focus group discussions, we were informed that there is no agreement among employers about an average rate for piecework: it varies from between 90 cents and R3.00 per basket. Fifty-seven per cent, who were mainly male, were paid fortnightly and received an average wage of R563 fortnightly, which on a 40-hour week, works out to R56 per day.

All farm workers are living from hand to mouth and most of them face a constant cycle of debt and debt repayment. They are mainly indebted to the employer from whom they buy food supplies, gas, liquor, etc. In one focus group, the workers explained that after debt deductions they can be left with R400 per month. It is the women who bear the brunt of the income poverty experienced by farm workers as they have the key responsibility for the care of children, the sick and the aged. Further detailed study into the gender development index in agriculture is needed in order to inform a campaign against gender discrimination in the agricultural labour market.

4. CONCLUSIONS

This study set out to provide information on the global value chains in the deciduous fruit and wine industries in order to understand the impact of global and domestic economic and labour market restructuring on local producers and consequently on agricultural workers.

We set out to update findings of the previous study conducted in 2003 about whether international supermarket chains are using their power in the global value chain to fix prices below industry level and to pass risks down to producers. The research explored the pressures that producers in the deciduous fruit and wine sectors were experiencing as a result of competition in global export markets, as well as to explore whether implementation of ethical codes and labour legislation are also creating pressure.

4.1 Exploring the Purchasing Practices of International Retailers

Evidence from the 2007 findings of the UK Competition Commission suggest that the huge supermarkets such as TESCO and ASDA have been using their power in the UK supply chain to set low prices to pay for the fresh produce that they purchase from marketers and exporters in the UK. They are able to do this because they have “buyer power” which derives from their huge conglomerate status. In the UK, it was felt that they maybe distorting competition and that their predator pricing and other practices could cause irrevocable damage to the UK food supply chain which could have a knock-on effect for consumers in terms of product choice and availability as well as product innovation. In fact, the Competition Commission found that TESCO and ASDA have had a 13% advantage and that they had been paying 4% below industry prices for fresh produce in the UK.

Clearly, the predator practices of the supermarkets have been established in the UK and even though the Competition Commission argued that the supermarkets are passing the financial advantage back to consumers and shareholders, the supermarkets are the subjects of ongoing investigation. Evidence of the aforementioned practices was found in the previous study conducted by Stephen Greenberg. South African producers complain about lack of agreement on price cuts without reasonable notice; payment terms for the supermarkets are 120 days which is too long; and attempts to restrict suppliers from selling to their competitors.

In the current study, response to the question about international retailers was more guarded. They are very vocal in their criticism of the strong currency leading to a decrease in the exchange rate, increased labour costs; low productivity of labour and increased input costs, but avoid any discussion of the prices paid by the supermarkets. They do admit to delays in payment and would go so far as to speak about inefficiencies in the supply chain that have to be eradicated. If that happened, they could all derive benefit and improve margins by 10%.

They appear to be very cautious about damaging relations with Tesco or any of the major supermarkets as this remains the most lucrative market; they fetch much higher prices on the export market than the local market. They are concerned that the campaigns initiated by ActionAid and NGOs in South Africa against Tesco have the potential of damaging their UK market. Compliance

with the ETI code and being registered on SEDEX ensure that they remain in the game. This is similar to the phenomenon where very few of South African primary producers would openly support advocacy work that opposes the unequal payment of agricultural subsidies by European and US governments to primary producers. In neoliberal parlance, this is regarded as a trade distorting practice; however, producers have not been very vocal in their criticism.

Producers tend to ascribe many of their problems to escalating labour costs that may, they claim in certain instances, be as high as 50% of production costs. They are also critical of the Extension of Security of Tenure Act, the strong Rand, high interest rates, and the massive administrative burden that compliance with employment equity and other labour legislation requires. From the evidence collected, we conclude that international retailers do exert undue pressure on producers, both in the UK and South Africa.

However, the role of the supermarkets should be seen against the background of “freeing the markets”, doing away with protectionism which many regard as trade distorting, and allowing free competition to run its course. The drive towards greater levels of capital accumulation and the need to remain competitive has led to greater levels of consolidation and concentration, resulting in mega retailers and agri-businesses who dominate the supply chain by the sheer scale of their operations. The elimination of wholesalers has contributed to the supermarkets becoming more powerful.

4.2 Impact of Ethical Codes and Labour Laws

There is a change in the way employers in the industry are responding to labour legislation: a greater proportion of farmers now tend to comply with labour legislation and ethical codes than when the legislation was first promulgated. Compliance with ethical codes guarantees growers a place in the global supply chain and prevents them falling foul of the law. However, compliance in the case of the labour laws is with the minimum requirements of the law. Producers have articulated their opposition to the annual increases in the minimum wage. When government invited those who are unable to pay the increases to apply for exemption by submitting their financial statements, they objected on the grounds of administrative incapacity.

Producers have used the threat of retrenchment to argue against increases in the minimum wage. There can be no doubt that retrenchment has been utilized to “rationalize the labour force”. Many retrenched workers would end up as casual workers. This global trend toward casualisation, informalisation and sub-contracting is very prevalent in the deciduous and wine fruit farming sectors. Thus, although total employment rose by 10% between 2001 and 2005, 25% has been due to the growth in informal employment. Formal sector employment in agriculture showed a steep decline.

Market liberalization has changed the structure of the labour market into “polarized layers” where there is a small core of permanent workers and a large periphery of casuals (Webster, 2005). Casual employment seems to be concentrated among low skilled employees.

The DoL has no consistent monitoring or enforcement capacity and tends to be reactive and respond to high profile cases or undertake blitzes. Agricultural workers remain poorly organized and the destruction of permanent jobs has resulted in withdrawal or reluctance to join trade unions. The

LRA provision around freedom of association is formally adhered to but is undermined in various ways. Union members are sometimes retrenched or are afraid to let the farmer know that they are union members.

The evidence further suggests that labour brokers who themselves are in a dependant economic relationship with employers are assumed to independent contractors. However, they are generally under-resourced workers who, according to WIETA auditors, have no infrastructure and cannot be audited. Employers are beginning to assist them to register workers who they recruit. Labour brokers complain that they are not able to provide protective clothing for workers as they only get paid R60 per worker per day. The law of mutual and several liabilities has never been utilized against the farmers/producers and labour brokers.

Similar to the way in which international retailers use their power to pass risks down to producers, producers in turn pass risks down to independent contractors and workers. Ethical codes are about responsible sourcing; if they were to be fully applied, international retailers should hold producers responsible for ensuring that they source labour ethically.

This study concurs with the previous study that “Regulatory aims of new legislation have been undermined by other policies and by the influence of these policies on the labour market”. Workers on the margins, says Greenberg (2004), have been failed by new legislation as they are not afforded proper protection in an agricultural market reliant on ever increasing exports, retrenchment, reduction of permanent employment and triangular employment arrangements which have been the ways in which the labour market has been restructured to reduce labour costs.

4.3 Women Bearing the Social Costs of Labour Market Restructuring

In many ways, the findings are quite contradictory. While there has been greater “feminization” of the agricultural industry, the policies of employment equity and the BCEA stipulates equal pay for equal work and non-discrimination, the industry still discriminates against women in many ways:

- Women are the majority of those employed as seasonal, temporary workers;
- Women get passed over when permanent positions become vacant or for promotion;
- Training for men is prioritized;
- Skilled jobs reserved for men;
- Women bear the brunt of poor health and safety conditions, especially temporary workers;
- Housing contracts are given to men.

Women clearly bear the brunt of labour market restructuring.

Producers have been experiencing various cycles of “booms and busts” in the export market and experience many challenges, including the way in which huge supermarkets squeeze them for lower prices. However, when all is said and done, the export market remains the more lucrative market for them. The negative publicity that supermarkets have been receiving in the UK has made them sensitive to criticism while producers are reluctant to complain about predatory practices for fear of losing their place in the value chain. Currently, wine is doing better than deciduous fruit and has fewer and less stringent safety codes to comply with.

This study found that producers have been less compliant in the following areas:

- Occupational health and safety: Workers complained about the inhalation of pesticides and poisonous gases, lack of protective clothing to withstand extreme weather conditions, rickety ladders and beds. Many workers were not aware of health and safety committees on their farms and misunderstood the role of the health and safety representatives.
- Non-discrimination: Gender and racial discrimination is still prevalent – something that was also picked up in the benchmark report and during interview with WIETA auditors. The majority of permanent workers are Coloured males, and even when permanent jobs become available, women tend to be overlooked.
- Monitoring the practices of labour brokers and taking mutual responsibility: Until the labour courts establish a precedent by prosecuting employers who make use of unscrupulous labour brokers and monitor and enforce the provisions of the Act, this practice will continue unchecked.

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